ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 679)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2015

The Board of Directors (the "Board") of Asia Tele-Net and Technology Corporation Ltd (the "Company") announced that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2015 ("Period Under Review") together with last year's comparative figures are as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2015

	NOTES	**2015** *HK$'000*	2014 *HK$'000*
Revenue	4	**423,806**	558,316
Cost of sales		**(335,973)**	(444,822)
Gross profit		**87,833**	113,494
Other gains and losses	5	**41,553**	(530)
Bad debts recovered		**1,069**	1,618
Other income		**3,203**	4,732
Selling and distribution costs		**(21,069)**	(21,891)
Administrative expenses		**(79,192)**	(83,598)
Allowance for bad and doubtful debts		**(59)**	(378)
Finance costs	6	**(13)**	(40)
Share of results of associates		**889**	916
Profit before taxation		**34,214**	14,323
Taxation	7	**(4,713)**	(2,962)
Profit for the year	8	**29,501**	11,361

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 2015

	NOTE	2015 HK$'000	2014 HK$'000
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations			
- subsidiaries		**(18,295)**	(1,395)
- associate		**(772)**	209
Other comprehensive expense for the year		**(19,067)**	(1,186)
Total comprehensive income for the year		**10,434**	10,175
Profit for the year attributable to:			
Owners of the Company		**29,013**	9,892
Non-controlling interests		**488**	1,469
		29,501	11,361
Total comprehensive income for the year attributable to:			
Owners of the Company		**10,009**	8,672
Non-controlling interests		**425**	1,503
		10,434	10,175
Earnings per share	9		
Basic		**HK6.80 cents**	HK2.32 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000
Non-current assets			
Property, plant and equipment		**30,320**	74,108
Prepaid lease payments		**46,644**	50,098
Interests in associates		**3,666**	4,497
Prepayment		**22,846**	20,288
		103,476	148,991
Current assets			
Inventories		**41,936**	49,399
Amounts due from customers for contract work		**53,638**	75,199
Loans receivable		**37,570**	40,076
Debtors, bills receivables and prepayments	10	**148,949**	121,070
Prepaid lease payments		**1,320**	1,392
Held-for-trading investments		**36,086**	16,563
Amounts due from associates		**595**	1,356
Taxation recoverable		**941**	4
Pledged bank deposits		**17,598**	19,656
Bank balances and cash		**128,602**	94,563
		467,235	419,278
Current liabilities			
Creditors, bills payables and accrued charges	11	**180,066**	186,150
Deposit received for re-development of the land		**-**	50,705
Warranty provision		**20,987**	21,916
Amounts due to customers for contract work		**42,708**	7,309
Amounts due to associates		**23**	23
Bank borrowing		**15,500**	-
Taxation payable		**3,373**	1,862
		262,657	267,965
Net current assets		**204,578**	151,313
Total assets less current liabilities		**308,054**	300,304

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31ST DECEMBER, 2015

	2015	2014
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**4,265**	4,265
Reserves	**294,981**	284,972
Equity attributable to owners of the Company	**299,246**	289,237
Non-controlling interests	**2,317**	1,892
Total equity	**301,563**	291,129
Non-current liabilities		
Warranty provision	**2,176**	4,860
Deferred taxation	**4,315**	4,315
	6,491	9,175
	308,054	300,304

Notes:

1. GENERAL

The Company is incorporated in Bermuda under The Companies Act 1981 of Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the same as the functional currency of the Company.

The Company is an investment holding company and its principal subsidiaries are mainly engaged in electroplating equipment business.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 - 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 - 2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31st December, 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31st December, 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31st December, 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain buildings and financial instruments, which are measured at revalued amounts or fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The Group's revenue from electroplating machinery business for the years ended 31st December, 2015 and 2014 analysed by principal activity is as follows:

	2015	2014
	HK$'000	*HK$'000*
Construction contracts in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery	**357,079**	494,987
Sale of spare parts of electroplating machinery	**15,582**	27,248
Provision of services – repairs and maintenance	**51,145**	36,081
	423,806	558,316

Segment information

Segment revenue and results

The Group has one operating segment being the electroplating equipment segment which contributes the entire revenue of the Group. Reconciliation of the operating segment profit to profit before taxation is as follows:

	Electroplating equipment	
	2015	2014
	HK$'000	*HK$'000*
Segment revenue	**423,806**	558,316
Segment profit	**13,195**	24,533
Intra-group management fee charged to operating segment	**6,165**	5,844
Other income	**1,627**	3,543
Central corporate expenses	**(21,366)**	(19,553)
Other gain or losses	**34,593**	(44)
Profit before taxation	**34,214**	14,323

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment Information (continued)

Segment revenue and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the gross profit of the electroplating equipment segment, other income and expenses directly attributable to the segment activity (including intra-group management fee) and share of results of associate but excluding interest income from loans receivable, unallocated interest income, dividend income and sundry income, central corporate expenses including auditor's remuneration and director's emoluments, net change in fair value of held-for-trading investments, waiver of amount due from an associate, loss on demolition of buildings, relocation compensation income and unallocated net exchange gain or loss. This is the measure reported to the chief operating decision maker in order to assess segment performance.

Segment assets and liabilities

The following is an analysis of the Group's segment assets and segment liabilities that are regularly reviewed by the chief operating decision maker:

	2015	2014
	HK$'000	*HK$'000*
Segment assets – electroplating equipment segment	**280,896**	327,320
Property, plant and equipment (for corporate)	**1,584**	1,683
Prepaid lease payments (for corporate)	**40,526**	43,281
Prepayment	**22,846**	20,288
Loans receivable	**37,570**	40,076
Other debtors, deposits and prepayments (for corporate)	**3,467**	3,479
Held-for-trading investments	**36,086**	16,563
Amounts due from associates	**595**	1,356
Taxation recoverable	**941**	4
Pledged bank deposits	**17,598**	19,656
Bank balances and cash	**128,602**	94,563
Consolidated total assets	**570,711**	568,269
Segment liabilities – electroplating equipment segment	**236,549**	217,094
Other creditors and accrued charges (for corporate)	**9,388**	53,846
Amounts due to associates	**23**	23
Deferred taxation	**4,315**	4,315
Bank borrowing	**15,500**	-
Taxation payable	**3,373**	1,862
Consolidated total liabilities	**269,148**	277,140

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment Information (continued)

Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources to the electroplating equipment segment:

- All consolidated total assets are allocated to electroplating equipment operating segment other than prepayments, loans receivable, held-for-trading investments, amounts due from associates, taxation recoverable, pledged bank deposits and bank balances and cash of the Group and corporate assets of the Group.

- All consolidated total liabilities are allocated to electroplating equipment operating segment other than amounts due to associates, deferred taxation, bank borrowing and taxation payable of the Group and corporate liabilities of the Group.

Other segment information

	Electroplating equipment	
	2015	2014
	HK$'000	*HK$'000*
Amounts included in the measure of segment result or segment assets:		
Allowance for bad and doubtful trade debtors	**59**	378
Allowance (Reversal of allowance) for slow moving inventories	**376**	(519)
Bad debts recovered	**1,069**	1,618
Share of results of associates	**889**	916
Loss on disposal of property, plant and equipment	**740**	47
Depreciation	**4,191**	7,600
Release of prepaid lease payments	**1,214**	309
Provision for warranty	**12,201**	21,819
Finance costs	**13**	40
Capital additions	**3,877**	891

	Unallocated	
	2015	2014
	HK$'000	*HK$'000*
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:		
Waiver of amount due from an associate	**750**	-
Capital additions	**12**	43,414
Loss on demolition of buildings	**40,803**	-
Relocation compensation income	**59,960**	-
	19,157	-
Depreciation	**112**	101
Interest income	**1,082**	3,038

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are mainly located in Hong Kong, the PRC, Taiwan, Europe, the United States of America and other Asia countries.

Information about the Group's revenue from external customers is presented based on the location of external customers.

	2015	2014
	HK$'000	*HK$'000*
PRC	**175,107**	274,778
Europe	**10,742**	30,349
Taiwan	**93,533**	61,767
Canada	**270**	711
Saudi Arabia	**3,591**	8,109
Hong Kong	**169**	2,698
Singapore	**5,828**	6,200
The United States of America	**31,001**	9,568
Australia	**493**	7,434
Germany	**29**	-
Korea	**31,528**	14,335
Russia	**5,386**	28,830
Thailand	**14,018**	58,815
Philippines	**24,240**	38,780
Vietnam	**-**	11,105
The United Kingdom	**13,752**	**-**
Switzerland	**8,228**	**-**
Others	**5,891**	4,837
	423,806	**558,316**

Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets.

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**24,418**	26,086
PRC	**75,193**	118,042
Others	**3,865**	4,863
	103,476	148,991

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenues from customers under the electroplating equipment segment of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**77,453**	78,873
Customer B	**N/A**[1]	58,815

[1] The corresponding revenue did not contribute over 10% of total sales of the Group.

5. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Net change in fair value of held-for-trading investments	**16,610**	136
Net exchange gain (loss)	**7,375**	(532)
Loss on disposal of property, plant and equipment	**(740)**	(47)
Loss on demolition of buildings	**(40,803)**	-
Relocation compensation income	**59,960**	-
	19,157	-
Waiver of amount due from an associate	**(750)**	-
Other gains and losses	**(99)**	(87)
	41,553	(530)

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank borrowing	**13**	40

7. TAXATION

The taxation charge comprises:

	2015 *HK$'000*	2014 *HK$'000*
Overseas taxation		
Charge for the year	**4,713**	2,962

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No tax is payable on the profit for both years arising in Hong Kong for certain group entities since the assessable profit is wholly absorbed by tax losses brought forward.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the remaining group entities subjected to Hong Kong Profits Tax have no assessable profit for both years.

Overseas taxation (including PRC enterprise income tax) is calculated at the rates prevailing in the relevant jurisdictions.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

8. PROFIT FOR THE YEAR

	2015 *HK$'000*	2014 *HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,290**	1,375
Cost of inventories recognised as expenses (including allowance for slow moving inventories of approximately HK$376,000 (2014: reversal of allowance for slow moving inventories of approximately HK$519,000))	**170,488**	324,742
Depreciation of property, plant and equipment	**4,303**	7,701
Release of prepaid lease payments	**1,214**	309
Operating lease payments in respect of rented premises	**2,943**	3,617
Staff costs:		
Directors' fee	**180**	180
Directors' salaries, other benefits and performance related incentive payments	**7,694**	7,630
Salaries and allowances	**99,105**	98,902
Contributions to retirement contributions schemes	**2,340**	2,266
	109,319	108,978
Interest income from loans receivable	**(128)**	(170)
Investment income		
Interest earned on bank deposits	**(910)**	(3,198)
Dividend income from		
- Other investment	**(137)**	(454)
	(1,047)	(3,652)

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
The Group's profit for the year attributable to owners of the Company	**29,013**	9,892
Number of ordinary shares	**426,463,400**	426,463,400

No diluted earnings per share have been presented as there were no potential ordinary shares in issue during both years.

10. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Trade debtors and bills receivables	**151,627**	135,799
Less: Allowance for bad and doubtful debts	**(32,299)**	(33,309)
	119,328	102,490
Other debtors and prepayments	**29,621**	18,580
	148,949	121,070

As at 31st December, 2015, the trade debtors balance included trade debts due from associates of approximately HK$7,935,000 (2014: approximately HK$9,168,000).

The Group allows a general credit period of one to two months to its trade customers except construction contracts where the Group allows stage payments. Each construction contract will normally involve two to six stage payments, namely deposit payment, shipment payment, arrival payment, installation completion payment, chemical testing payment and acceptance payment. It will take at least one year from the time the electroplating machine is shipped before a construction contract will reach the acceptance stage. In most of the cases, invoice is due on presentation and credit will only be offered to customers in accordance with their financial credit abilities and established payment records.

10. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS (CONTINUED)

The following is an aged analysis of trade debtors and bills receivables net of allowance for bad and doubtful debts presented based on the invoice date at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
1 – 60 days	**110,773**	91,868
61 – 120 days	**3,196**	3,857
121 – 180 days	**1,671**	2,303
Over 180 days	**3,688**	4,462
	119,328	102,490

As at 31st December, 2015, the trade debtors and bills receivables of approximately HK$110,773,000 (2014: approximately HK$91,868,000) were neither past due nor impaired. No significant counterparty default was noted in the past.

As at 31st December, 2015, trade debtors of approximately HK$8,555,000 (2014: approximately HK$10,622,000) were past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. Bills receivables of HK$15,500,000 (2014: nil) were discounted for bank borrowing with full recourse. The average age of these trade receivables is 103 days (2014: 67 days) as at 31st December, 2015.

Aging of trade debtors which are past due but not impaired at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Past due by:		
1 – 60 days	**3,196**	3,857
61 – 120 days	**1,671**	2,303
121 – 180 days	**1,832**	2,804
Over 180 days	**1,856**	1,658
	8,555	10,622

10. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS (CONTINUED)

Movement in the allowance for bad and doubtful debts

	2015	2014
	HK$'000	*HK$'000*
Balance at beginning of the year	**33,309**	34,864
Currency realignment	**-**	1
Allowance made on trade debtors	**59**	378
Bad debts recovered	**(1,069)**	(1,618)
Written off as against trade debtors	**-**	(316)
Balance at end of the year	**32,299**	33,309

Included in the allowance for doubtful debts of approximately HK$32,299,000 (2014: approximately HK$33,309,000) are individually impaired trade debtors, which were in severe financial difficulties. The Group has provided fully for these debts.

In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The trade debtors that were past due but not impaired were either subsequently settled or with no historical default of payments by the respective customers. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

11. CREDITORS, BILLS PAYABLES AND ACCRUED CHARGES

	2015	2014
	HK$'000	*HK$'000*
Trade creditors	**95,449**	119,178
Bills payables	**7,306**	1,977
Accrued staff costs	**16,300**	18,541
Commission payables to sales agents	**14,186**	12,253
Other creditor and accrued charges	**36,307**	27,847
Advances received from customers for contract work	**8,952**	915
Advances received from customers for services	**1,566**	5,117
Consideration payable	**-**	254
Retirement benefit obligations	**-**	68
	180,066	186,150

The following is an aged analysis of trade creditors and bills payables as at the end of the reporting period which is based on the invoice dates of the amounts due:

	2015	2014
	HK$'000	*HK$'000*
0 – 60 days	**54,491**	56,266
61 – 120 days	**23,508**	38,522
121 – 180 days	**12,688**	16,565
Over 180 days	**12,068**	9,802
	102,755	121,155

The average credit period on purchase of goods is 60 – 120 days.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSIONS

BUSINESS STRATEGIES

Asia Tele-Net and Technology Corporation Limited, as our name tells, is an investment holding company based in Asia. As an investment holding company, we hold investments in various disciplines with particular strength in electroplating technologies. Through our brand "PAL", it is our mission to apply electroplating technologies in different applications or business segments so that the Group would grow segment by segment. This strategy would also help us to smooth out any, if not all, cyclical effect in one particular segment or particular market and hence to produce a more stable turnover and profitability level for the benefits of shareholders.

As an investment holding company, the Company from time to time will identify and evaluate business opportunities come along. The "Outline of the 12th Five-Year Plan for the National Economic and Social Development of the People's Republic of China" promulgated in March 2011 emphasises the Central Government's support for Hong Kong's development into an offshore renminbi business centre and an international asset management centre. Together with the launch of "One-Road-One-Belt strategy", Hong Kong could bank on playing a "super-connector" role in the "Belt and Road" region that covers two-fifths of the world's land mass and is host to some 60 per cent of the world's population! Due to this unique positioning of Hong Kong, the Company believes that there will be many opportunities ahead especially in the financial industry. In addition, the current record low price in commodities including crude oil price and other natural resources may present attractive acquisition opportunities.

In the normal course of identifying business opportunities, the Company from time to time engages in discussions with other independent third parties for possible business co-operations. At present, the Board confirms that there are no negotiations or agreements relating to any intended acquisitions or realizations which are disclosable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter disclosable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

REVIEW

During the year ended 31st December, 2015 ("the Period Under Review"), the Group recorded profit attributable to owners of the Company of approximately HK$29,013,000 compared to the profit attributable to owners of the Company of approximately HK$9,892,000 for the year ended 31st December, 2014 ("the Previous Period"), representing approximately 193% increase. The improvement of Group's profit attributable to owners of the Company during the Period Under Review was primarily due to (i) an increase in the net change in fair value of held-for-trading investments of approximately HK$16,610,000 (the Previous Period : approximately HK$136,000); (ii) income recognition of relocation compensation of approximately HK$59,960,000 (equivalent to RMB 50,000,000) pursuant to the Relocation Compensation Agreement (please refer to "Property Re-development Plan in Longhua" below) and (iii) fixed asset written off of approximately HK$40,803,000 due to the demolition of the factory situated at Longhua pursuant to the Re-development Agreement signed in 2011 (please refer to "Property Re-development Plan in Longhua" below).

The basic earnings per share for the Period Under Review was HK6.80 cents compared to the basic earnings per share of HK2.32 cents for the Previous Period.

FINANCIAL REVIEW

Revenue

The revenue for the Period Under Review was approximately HK$423,806,000 or approximately 24.1% less than the Previous Period. Reasons for lower revenue reported for Period Under Review was explained in the section "Business Review on Electroplating Equipment" below.

In terms of business segment, approximately 64% of the revenue was generated from PCB sector (the Previous Period: approximately 80%), approximately 20% came from surface finishing sector (the Previous Period: approximately 20%) and approximately 16% derived from solar cell sector (the Previous Period: 1%).

In terms of the machines geographical installation base, the revenue composition during the Period Under Review was 41% machine values were installed in PRC (the Previous Period: 49%), 22% in Taiwan (the Previous Period: 11%), 7% in the USA (the Previous Period: 2%), 7% in Korea (the Previous Period: 3%), 6% in Philippines (the Previous Period: 7%), 3% in Thailand (the Previous Period: 11%), 3% in the United Kingdom (the Previous Period: nil), 3% in Europe (the Previous Period: 5%), and 8% in rest of the world.

Gross Profit

The Group's gross profit margin for the Period Under Review was 20.7% which was more or less the same as in the Previous Period.

Other gains or losses

(a) Net change in unrealized fair value gain of held-for-trading investments was approximately HK$12,661,000 (the Previous Period approximately : HK$1,112,000)

All held-for-trading investments were recorded at fair value as at 31st December, 2015 and represented listed securities in Hong Kong. The significant increase in unrealized fair value gain was primarily attributable to the unexpectedly volatile stock market in Hong Kong in the second quarter of 2015. During the Period Under Review, Hang Seng Index decreased from 23,605 as at 31st December, 2014 to 21,914 as at 31st December, 2015.

FINANCIAL REVIEW (Continued)

Other gains or losses (Continued)

Below are information of the Group's financial assets at fair value through profit and loss amounted to approximately HK$12,661,000 as at 31st December, 2015 :

Company Name / Stock Code	% of shareholding as at 31st December, 2015	Fair value change HK$'000 (audited)	Fair value as at 31st December, 2015 HK$'000 (audited)	% of Total Assets of the Group as at 31st December, 2015	Fair value as at 31st December, 2014 HK$'000 (audited)	% of Total Assets of the Group as at 31st, December, 2014
Orient Victory China Holdings Ltd. (265)	0.37%	12,124	16,165	2.83%	4,041	0.71%
Shanghai Industrial Urban Development Group Ltd. (563)	0.09%	(2,191)	7,880	1.38%	-	-
South China Assets Holdings Ltd. (Formerly known as "South China Land Ltd.") (8155)	0.451%	605	7,414	1.30 %	6,809	1.20%
Huarong International Financial Holdings Ltd. (993)	0.017%	1,015	1,699	0.30%	684	0.12%
Others (*Note*)		1,108	2,928	0.51%	5,029	0.88%
Total		12,661	36,086	6.32%	16,563	2.91%

Note: None of these investment represented more than 0.5% of the total shareholding for that respective stock as at 31st December, 2015.

Other gains or losses (Continued)

(b) Net change in realized fair value gain of held-for-trading investments was approximately HK$3,949,000 (the Previous Period : loss of approximately HK$976,000)

During the period from April to early July 2015, the Group disposed of a number of listed securities when the Hang Seng Index was in the range of 26,000 to 28,000.

(c) Income and losses in relation to the Longhua project

Pursuant to the Re-development Agreement signed in 2011, the Group has demolished its factory located at Longhua in 2015 and accordingly recorded a loss of approximately HK$40,803,000. Such loss represented the carrying amount of the factory remaining on the consolidated statement of financial position as at the date of demolition. The Group has also written off certain aged plant and equipment during the demolition which amounted to approximately HK$740,000.

Following the demolition and pursuant to the Relocation Compensation Agreement, the Group has fulfilled its agreed obligations and was in the position to record a sum of HK$59,960,000 (equivalent to RMB 50,000,000) as relocation income.

Shareholder can also refer to the section named "Property Re-development Plan in Longhua" below for more details.

(d) Net exchange gain was approximately HK$7,375,000

The net exchange gain was mainly due to (i) the exchange gain of approximately HK$11,650,000 arisen from intercompany transactions, (ii) exchange loss of approximately HK$2,784,000 arisen from revaluation of Euro-based receivable and bank balances and (iii) exchange loss of approximately HK$452,000 from sales of Canadian dollars from bank balance held at that time.

The production arm of the Group is based in China and normally bills the sales arm of the Group in Hong Kong Dollars. During the Period Under Review, RMB was depreciated by approximately 5.8% and hence the production arm of the Group recorded an exchange gain arising from the receivable which was denominated in Hong Kong dollars.

During the Period Under Review, Euro was depreciated by approximately 10.3% and Canadian dollars was depreciated by approximately 16.4%.

(e) Waiver of amount due from an associate of approximately HK$750,000

The Group has planned to close certain associates. In preparing for the closure, the Group has agreed with other shareholders of the related associates to waive the amount due from those related associated on proportional basis.

Other income

The other income mainly represented bank interest received, dividend and rental income.

Selling and Distribution Costs

The selling and distribution costs represented exhibition and marketing expenses, product and public liability insurance cost and the respective personnel cost on the sales team. These costs are relatively fixed.

Administrative expenses

The administrative expenses for the Period Under Review was 5.3% lower than the Previous Period. Given the price pressure imposed by our customers, we exerted enormous effort in controlling our operating costs in order to drive an improved net profit after taxation. As a benchmark, the average inflation rates in China and Hong Kong for 2015 were 1.6%[1] and 3.0%[2] respectively and the minimum wages in Shenzhen has increased by 12.2% in the Period Under Review from RMB1,808 per month to RMB 2,030 per month.

As disclosed in the 2015 interim report, in exchange for the Group agreeing to move out earlier from Longhua, the Counter Party will compensate the Group on dollar-to-dollar basis for cost incurred for such relocation (including but not limited to rent and management fees for the new factory). Therefore, the Group was not required to take up any rental expenses for the Period Under Review and until August 2016. Please refer to the section named "Property Re-development Plan for Longhua" for more details. Upon demolition of the factory, the Group did not take up any further depreciation cost.

Taxation

Taxation of approximately HK$4,713,000 represented taxes paid by our wholly-owned subsidiaries in China and Taiwan.

Exchange difference arising on translation of foreign operation of approximately HK$18,295,000

This represented mainly the exchange difference arising on translation of operations in China due to the depreciation in RMB. The currency translation reserve was reduced at the same amount.

Property, plant and equipment under non-current assets

All property plant and equipment was recorded at cost and was amortized throughout their expected life. The carrying amount of such was reduced from approximately HK$74,108,000 as at 31st December, 2014 to approximately HK$30,320,000 as at 31st December, 2015 due to the demolition of the factory located at Longhua as explained above. The Group has rented a factory located at Songgan and hence did not incur any major capital investment during the Period Under Review.

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[1] Inflation rate in China is reported by the National Bureau of Statistics of China.
[2] Inflation rate in Hong Kong is reported by Census and Statistics Department of Hong Kong.

Prepaid lease payments under non-current assets

The prepaid lease payments as at 31st December, 2015 represented land use right for the land located at Longhua and remaining acquisition cost over the land use right for the land located at Gongmin.

Prepayment under non-current assets

The prepayments under non-current assets represented (i) the final payment of HK$20,288,000 (equivalent to RMB16,000,000) which was deposited to an escow agent pursuant to the sales and purchase agreement dated 29th October, 2014 and (ii) the deposit payment of HK$2,558,000 (equivalent to RMB2,100,000) pursuant to the consultancy service agreement dated 9th October, 2015. For more details, please refer to section named "Property Development Plan in Gongmin" below.

Loans receivable under current assets

Included in the loan receivable was the entrusted loan of approximately HK$35,810,000 (equivalent to RMB30,000,000) created pursuant to the sales and purchase agreement dated 29th October, 2014. Such loan was fulling repaid as at the date of this annual report. For more details, please refer to section named "Property Development Plan in Gongmin" below.

Held-for-trading investments under current assets

As at 31st December, 2015, the Company had held-for-trading investment in listed securities in Hong Kong with a market value of approximately HK$36,086,000, representing an investment portfolio of twelve (12) listed equities in Hong Kong. The Board acknowledges that the performance of the equities may be affected by the degree of volatility in the Hong Kong stock market and susceptible to other external factors that may affect their values. Accordingly, in order to mitigate possible financial risks related to the equities, the Board will continue to maintain a diversified investment portfolio across various segments of the market and also closely monitor the performance progress of its investment portfolio from time to time going forward.

Please also refer to above section "Other gains or losses".

Deposit received for re-development of the land

As explained under the paragraph named "Other gain and losses" above, the Group has fulfilled all its obligations required under the Relocation Compensation Agreement and was in the position to reclassify the deposit received from the counterparty from "Deposit received for re-development of the land" to "Other income". The deposit received from the counterparty as at 31st December, 2014 was approximately HK$50,705,000 (equivalent to RMB 40,000,000) which was reduced to nil as at 31st December, 2015 after the reclassification.

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF "PAL")

Electroplating Equipment-Printed Circuit Boards ("PCB") Sector

This sector is traded through our subsidiary Process Automation International Ltd ("PAL").

During the Period Under Review, the revenue in this business area decreased from HK$393,753,000 in Previous Period to HK$228,574,000, representing 42% decrease. Out of this total revenue, from the perspective of installation location, nearly 47% were shipments made to PRC (54% in Previous Period) and 32% were shipments made to Taiwan (13% in Previous Period).

In general, economy slowed down in most of countries during 2015. Demand of PCB is highly sensitive to economic performance as the underlying products produced from PCB are either industrial products or consumer products such as mobile phones, cars and electronics. A weak economy came the weak investment sentiment. Based on a review done by NTI[3], it is not surprising, therefore, to see that the worldwide PCB output was more or less flat for the year 2015 :-

Table 1: World PCB Output 2012-2015

(in US$ million)

Major Regions	2012	2013	2014	2015(F)*
Americas	3,156	3,100	3,078	3,110
Germany	1,075	1,090	1,097	890
Other Europe	1,840	1,720	1,640	1,680
China**	25,530	26,551	28,200	28,800
Japan	8,624	6,300	5,930	5,470
Taiwan	7,995	8,155	7,850	7,930
S.Korea	7,992	8,870	7,597	7,140
Thailand	1,298	1,747	2,209	2,410
Other Asia	2,287	2,247	2,622	2,835
World Total	**59,797**	**59,780**	**60,223**	**60,265**

*2015 on is based on 2015 exchange rates

**The output recorded under the category "China" included output from Taiwanse PCB makers who set up production plants in China.

[3] New Technology Information Ltd ("NTI") is a consulting company specialized in PCB industry.

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF "PAL") (Continued)

Electroplating Equipment-Printed Circuit Boards ("PCB") Sector (Continued)

Although the collapse in prices of commodities, especially in that of copper has reduced raw materials costs of PCB companies, severe price erosion as economy slowing down has unfortunately offset the upside brought from the reduction in cost. The strengthening of USD did help some of their PCB counterparts in rest of the world. Taiwanese companies were benefiting from currency devaluation and saw a surge in profit margins. Their Japanese peers didn't gain from yen depreciation as more than half of their production bases are located in foreign countries.

While Taiwanese PCB makers recorded a flat growth as a whole in 2015, the Group indeed received more orders from Taiwanese PCB makers in 2015 than in 2014. Without considering the effect of percentage of completion in accordance with the HKFRS and if one looks at the revenue from the perspective of the origins of the customers' headquarters, nearly 66.6% were orders from Taiwanese PCB makers (the Previous Period: 39%). Growth of our Taiwanese customers was driven by the launch of iPhone 6 /6S in 2015 and the moderate increase in the sales of automotive PCBs.

According to a report issued by Gartner[4] in February 2016, sales of smartphone grew by 14.4% in year 2015 (the Previous Period: 28.4%).

Table 2: Worldwide Smartphone Sales to End Users by Vendor in 2015

(Thousands of Units)

Company	2015 Units	2015 Market Share (%)	2014 Units	2014 Market Share (%)	Change in no of units	% of change
Samsung	320,219.7	22.5	307,596.9	24.7	12.622.8	3.9%
Apple	225,850.6	15.9	191,425.8	15.4	34,424.8	18.0%
Huawei	104,094.7	7.3	68,080.7	5.5	36,014.0	52.9%
Lenovo*	72,748.2	5.1	81,415.8	6.5	(8,677.7)	-10.6%
Xiaomi	65,618.6	4.6	56,529.3	4.5	9,089.3	16.0%
Others	635,368.5	44.6	539,691.3	43.4	95,677.2	17.7%
Total	**1,423,900.3**	**100.0**	**1,244,739.8**	**100.0**	**179,160.5**	**14.4%**

*The figures for Lenovo include sales of mobile phones by both Lenovo and Motorola

Source: Gartner

The trend remained the same, the growth in smartphone focuses mainly on low- to mid-range smartphone. As can be seen from above table, the annual growth of high-end smartphone actually came from Apple rather than Samsung. The annual growth of mid-range smartphone mainly came from Huawei. Although the number of Apple sold in 2015 recorded a slight increase only, the PCB adopted in iPhone 6 / 6S is more complex and forced their downstream PCB suppliers, some are our Taiwanese customers, to invest in new electroplating machines. The moderate increase in sales of automobiles also helped on the increased revenue of our customers.

[4] Gartner Inc (NYSE: IT) is an information technology research and advisory company.

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF "PAL") (Continued)

Electroplating Equipment-Printed Circuit Boards ("PCB") Sector (Continued)

While the Group enjoyed the business opportunities brought by sales of new iPhone and automotive electronics, the overall revenue generated from PCB sector was still lower than last year.

Electroplating Equipment-Surface Finishing ("SF") Sector

This sector is traded through our subsidiary PAL Surface Treatment Systems Ltd ("PSTS").

The revenue of the SF sector has decreased by 26% from approximately HK$98,289,000 in the Previous Period to approximately HK$72,283,000 for the Period Under Review.

Surface finishing is used to coat products made from certain metals or plastic to enhance their life-span and to prevent them from getting corroded. It is also used to enhance electrical properties of the metals and the bonding of organic coatings. Finishing is also used to provide these metals and plastic with a better visual appearance and appeal for consumers. The growth of this market is largely fuelled by increasing applications, technological advancements, and growing demand in the developing countries in the Asia Pacific region, such as China and India due to the large setup of the automotive, electronics, aerospace industries in these countries. A high demand for metal finishing also rises due to the constant need of durable metals in the metal industries, which can last long without corrosion, wear & tear, and also serves various aesthetic purposes.

Some of the factors restraining the growth of the global metal finishing equipment market are economic cycles, and avoiding use of metal finishing equipment by environmental and chemical agencies. This restriction has been imposed due to the presence of volatile organic compounds in the solvent, which negatively impacts the environment.

Our major customers in this sector are European and US multi-national corporations. Unfortunately, Europe has done poorly in 2015. US was a bit better and recorded a real GDP growth of 2.5%. Backed by a stronger than expected growth in the car sales in US, the Group has indeed received two big orders amounted to over HK$150 million in 2015 with expected shipments in 2016. Both are plating suppliers of automobile parts. Here is a snapshot of 2015 global car sales as per an review done by NTI :

- N. American sales was very strong in 2015
- China had a disappointing sales of only 1~2% growth
- Europe was OK
- Japan was OK, sales of lots of inexpensive cars
- Thailand was devastated and so was Brazil

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF "PAL") (Continued)

Electroplating Equipment-Surface Finishing ("SF") Sector (Continued)

As explained in the 2014 annual report, today's vehicles are becoming more and more reliant on electronic controls. Automotive electronics enhances the engine control and provides higher safety, security and comfort in a vehicle. Electronically controlled functions include navigation system, in-vehicle infotainment through audio-video devices, enabling internet facility, engine control to manage the efficiency of the vehicle, a surround view system to prevent accidents, power steering to maintain the balance and so on. While our revenue in SF sector was under-performed in 2015, the Group is expected to see a significant growth in this sector in 2016.

Electroplating Equipment - Photo Voltaic ("PV" or "Solar") Sector

This sector is traded through our subsidiary Process Automation International Ltd ("PAL").

Sales to PV sector in the Period Under Review has increased significantly from approximately HK$2,945,000 in the Previous Period to approximately HK$56,222,000 for the Period Under Review.

In December 2015, Mercom[5] predicted that installations would conclude at 57.8 GW in 2015, and then grow to 64.7 GW in 2016, with China leading the way with approximately 19.5 GW to be installed in 2016, followed by Japan and USA. China has already installed almost 10 GW so far in 2015, well ahead of the 3.79 GW it had installed over the first three quarters of 2014. Though curtailment and delayed subsidy payments still remain an issue, the recent announcement of an additional 5.3 GW installation quota with a completion deadline of June, 2016, is likely to speed things along.

Looking beyond China, Mercom expects to see the United States install 13 GW in 2016, becoming the second largest solar market in the world behind China. Japan will install about 9 GW, despite grid issues, curtailment, and a reduced feed-in tariff. India will install about 2.15 GW, the UK around 2.8 GW, Germany approximately 1.5 GW, and France 1.1 GW.

According to a forecast released by GTM Research[6] in March 2016, Research GTM said US solar market will grow by 119% in 2016. The prime growth factor for the US market is the rush to get in the federal Investment Tax Credit (ITC) which was initially set to expire at the end of 2016. Developers and EPCs filled their pipelines with projects that would come on-line in 2016. In December, however, an extension of the ITC provided long-term market certainty.

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[5] Mercom Capital Group ("Mercom") is a research company specialized in clean technology and health care industry.
[6] GTM Research is a research company specialized in global electricity industry.

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF "PAL") (Continued)

Electroplating Equipment - Photo Voltaic ("PV" or "Solar") Sector (Continued)

Seizing the current wave of growth in solar sector, the Group have worked side by side with our solar customers in terms of engineering improvements and recorded an increased revenue for the Period Under Review. Nevertheless, the solar market is sensitive to the availability of subsidies from governmental agencies and the latest development of the grid parity[7], both are macro environment which we will watch out for but not under our control.

Outlook

Although the profit attributable to owners of the Company was much improved for the Period Under Reviewr, the businesses of electroplating equipment was actually poorer than the Previous Periodo in terms of revenue and net operating results. Throughout 2015, it was marked by slow growth and anxiety over the slow down of GDP growth in China. Now 2015 has gone, the global GDP growth is projected to reach 2.9 percent in 2016 according to the World Bank's January 2016 Global Economic Prospects. While a modest recovery is expecting, the forecasts are subject to substantial downside risks. Assuming that the moderate increase in sales of smartphone, cars and solar panel continues, the Group is conservatively positive for the financial performance in 2016.

[7] Reference from Wikipedia, grid parity occurs when an alternative energy source can generate power at a levelized cost of electricity (LCOE) that is less than or equal to the price of purchasing power from the electricity grid.

PROPERTY DEVELOPMENT

Property Re-Development Plan in Longhua

Reference is made to the Company's announcements issued (i) on 22nd August, 2011 with respect to the agreement ("Re-development Agreement") entered into by a wholly-owned subsidiary of the Company with an independent third party ("Counter Party") in relation to a re-development plan ("Re-development") of two parcels of industrial land located in Bao An District, Shenzhen, the PRC, of the Group ("Lung Hua Land") from industrial land into residential properties for resale; (ii) on 25th October, 2013 with respect to the supplemental agreement signed, (iii) on 16th October, 2014 with respect to the preliminary approval granted, (iv) on 26th October, 2015 with respect to the second supplemental agreement signed and (v) on 30th November, 2015 with respect to the final approval obtained for the construction plan.

Progress made on the Re-development Plan in chronological order is updated below:-

(1) A project company was established by the Counter Party in August 2011 ("Project Company").

(2) The Group has entered into a re-development contract ("Re-development Agreement") and relocation compensation agreement ("Relocation Compensation Agreement") with the Project Company in September 2011.

(3) The Project Company has applied for re-development of the Lung Hua Land in September 2011. In view of the fact that the application was not completed within the agreed timeframe due to force majeure for the reason of the policy changes more particularly described in the Company's announcement dated 25th October, 2013, the Group has entered into a supplemental agreement with the Counter Party on 25th October, 2013 to extend the completion of tasks associated with the Re-development Agreement for another 12 months.

(4) On 16th October, 2014, a notice was published by Urban Planning Land and Resources Commission of Shenzhen Municipality ("UPLRC Shenzhen" 深圳市規劃和國土資源委源會) to confirm the re-development of the Lung Hua Land having been listed under "2014 Lot 4 Town re-development formulated plan of Shenzhen – Draft Plan".

(5) In view of the launch of the new requirements over calculation of land premium and that the fact that construction time is expected to take longer than it was originally contemplated in 2011, the Group and the Counter Party entered into second supplemental agreement on 26th October, 2015 to extend the deadlines for various outstanding tasks.

PROPERTY DEVELOPMENT (Continued)

Property Re-development Plan in Longhua (Continued)

(6) On 27th November, 2015, the Project Company received an approval letter dated 25th November, 2015 confirming that the Construction and Environment Review Committee had approved the planning proposal submitted by the Project Company. Based on the approved planning, the Lung Hua Land shall be re-developed into a comprehensive development site which can build up to a maximum floor area of 196,800 square metres, out of which the Group will receive titles and benefits of 41,000 square meters upon completion.

As of 31st December 2014, the Group has received RMB40 million from the Counter Party as deposit for relocation compensation. This deposit was included in the current liabilities in 2014. Under the terms of the Re-development Agreement, the wholly owned subsidiary of the Group who signed the Re-development Agreement shall be responsible for demolishing all existing buildings and vacating from the Lung Hua Land within six months upon receiving (i) another payment of RMB 10 million from the Counter Party and (ii) written notice from the Counter Party to vacate from the Lung Hua Land.

As disclosed in the 2015 interim report, in order to speed up the rest of the approval procedure and on the basis that all terms of the Re-development Agreement remain unchanged, the Counter Party has requested the Group to rent a factory and then vacate earlier from the Lung Hua Land. In exchange for such request, the Counter Party will compensate the Group on dollar-to-dollar basis for cost incurred for such relocation (including but not limited to rent and management fees for the new factory). The relocation was completed in 2015.

Together with the additional sum of RMB 10 million received in 2015, the Group was then in the position to record the total sum received ie RMB 50 million (approximately HK$59,960,000) as other income in the Period Under Review on the basis that the Group has fulfilled all its agreed obligations under the Relocation Compensation Agreement.

The Counter Party is currently negotiating the land premium with the government and is required to enter into the "Sale of land use rights contract" on or before 30 June 2016. Based on the available information on hands and recent discussions with the Counter Party, the Directors determined that it is highly probable that the counterparty can fulfill such obligation before the agreed deadline.

PROPERTY DEVELOPMENT (Continued)

Property Development Plan in Gongmin

Reference is made to the Company's announcements issued (i) on 29th October, 2014 in relation to the acquisition of the entire issued share capital of Yu Man Limited ("Acquisition"); (ii) on 4th December, 2014 with respect to a supplemental agreement signed on even date; (iii) on 30th July, 2015 with respect to a second supplemental agreement signed; (iv) on 9th October, 2015 with respect to a third supplemental agreement and consultancy service agreement signed. A circular of the Company dated 3rd July, 2015 ("Circular") was issued to shareholders to elaborate further on the Acquisition.

The primary objective for the Company to enter into the Acquisition was to acquire four parcels of lands located at the north of Songbai Road, Gongmin Subdistrict Office, Guangming New District, Shenzhen ("Gongmin Land"). but not to acquire any business previously engaged by Yu Man Limited and its subsidiary.

The Acquisition was completed on 31st December, 2014. Further to the completion, the result of the Acquisition was recorded as following assets in the consolidated statement of financial position of the Group as of 31st December, 2014:-

	RMB'000	***HK$'000****
Prepaid lease payments (Non-current and current assets)	33,225	42,129
Prepayment (Non-current assets)	16,000	20,288
Loan receivable (Current assets)	30,000	38,040
Bank balance and cash (Current assets)	6,396	8,110
Total	85,621	108,567

*Amount in RMB was translated into HK$ at RMB1.00 = HK$1.268

As at the date of this announcement, loan of RMB 30,000,000 was fully repaid. The Group has entered a compensation agreement with the local government and the first compensation of approximately RMB 10,928,000 was received after year end.

As stated in the announcement dated 30th July, 2015, while the overall development plan of the Gongmin Land remains changed, the Company is exploring the possibility to convert the usage of the Gongmin Land from pure industrial to include, among others, research and development office building, in part or in whole. The Gongmin Land is located in an area where good transportation infrastructures are in place as the Gongmin Land can be directly accessed by various highways roads and Shenzhen Metro Line No. 6. Shenzhen Metro Line No. 6 is currently under construction and is expected to complete in 2018/2019 tentatively. By changing the usage of the Gongmin Land, the Company may be able to enjoy greater flexibility by dividing the buildings on the Gongmin Land into self-use or leasing purposes.

PROPERTY DEVELOPMENT (Continued)

Property Development Plan in Gongmin (Continued)

As reported in the announcement dated 9th October, 2015, the Vendor shall undertake to discuss with UPLRC Shenzhen and procure UPLRC Shenzhen to offer the following terms in the new land grant contract:

(i) the total site area to be utilized by the Group will be amended from 14,164.7 square metres to 12,616 square meters and with the usage of the Project Land being changed from pure industrial to include research and development office building and dormitory purpose;

(ii) on the site area of 12,616 square metres, the Group can build up to a maximum available floor area of 37,848 square metres; and

(iii) further site area of 11,580.94 square meters originally to be retained by the Group for future expansion will be resumed by the local government with a minimum compensation of approximately RMB15,535,000.

By requesting change of usage and the maximum available floor area of 37,848 square metres, the Group is required to pay additional land premium. The Company is in the process of assessing the cost and benefit for such proposal and further announcement will be issued in accordance with listing rules (if applicable).

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

As at 31st December, 2015, the Group had equity attributable to owners of the Company of approximately HK$299,246,000 (2014: approximately HK$289,237,000). The gearing ratio was 5.2% (2014: nil). The gearing ratio is calculated by dividing the aggregate amount of bank borrowings of approximately HK$15,500,000 and other interest-bearing loans over the amount of equity attributable to the equity holders of the Company.

As at 31st December, 2015, the Group had approximately HK$146,200,000 of cash on hand (2014: approximately HK$114,219,000).

As at 31st December, 2015, the Group pledged deposits of HK$17,598,000 (2014: approximately HK$19,656,000) to banks to secure the issuance of bank guarantee of the same amount. Total banking facilities available to the Group is HK$82,300,000 (2014: approximately HK$92,210,000). Out of the facilities available, the Group has utilized (i) approximately HK$17,598,000 for the issuance of bank's guarantee under which customers retain right to claim refund of purchase deposits received by the Group as at 31st December, 2015 (2014: approximately HK$18,656,000), (ii) approximately HK$9,892,000 for the issuance of import letters of credit to suppliers (2014: approximately HK$6,998,000) and (iii) approximately HK$15,500,000 in relation to discounted export bills (2014: nil)

Most of the bank borrowing is charged at inter-bank offer rate plus a spread in the countries where the Company's subsidiaries are operating in.

Principal risks and uncertainties

Principal risks and uncertainties faced by the Group will be elaborated further in the directors' report which will be dispatched in April.

Contingent Liabilities

As at 31st December, 2015, the Company had guarantees of approximately HK$85,000,000 (2014: approximately HK$83,920,000) to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilized by the subsidiaries was approximately HK$42,990,000 (2014: approximately HK$25,654,000).

FINANCIAL REVIEW (Continued)

Pledge of Assets

As at 31st December, 2015, apart from the cash of HK$17,598,000 (2014: approximately HK$18,656,000) pledged to the banks for the issuance of bank guarantees as disclosed above, the Group did not pledge any other asset to any third party (2014: nil).

Capital Commitment

As at 31st December, 2015, the Group did not have any significant capital commitment (2014: nil).

Employee and Remuneration Policies

As at 31st December, 2015, the Group employs a total of 656 employees (2014: 661), including 36 employees hired by our associated company (2014: 36). Total staff cost for the Period Under Review was approximately HK$101,445,000 (2014: approximately HK$101,168,000). Employees are remunerated based on performance, experience and industry practice. Performance related bonuses are granted on discretionary basis. The Group maintains a mandatory provident fund schemes for its employees in Hong Kong and participates in the state-managed retirement benefit schemes for its employees in PRC. The Group also maintained appropriate insurances and medical cover for its employees.

The Company has adopted a share option scheme, details of which are set out in the directors' report. No option was granted during the Period Under Review (Previous Period : nil).

FINAL DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31st December, 2015 (2014: Nil)

APPRECIATION

On behalf of the Board, I would like to thank all of our customers, shareholders, business associates and bankers for their trust and support to the Group. To all of our employees, I appreciate your hard work, dedication and commitment over the year.

CORPORATE GOVERNANCE

The Company recognizes that good corporate governance is vital to the success of the Group and sustains development of the Group. The Company aims at complying with, where appropriate, all code provisions set out in Appendix 14 Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The Company's corporate governance practices are based on the principles and the code provisions ("Code Provisions") as set out in the CG Code of the Listing Rules. The Company has, throughout the year ended 31st December, 2015 and up to the date of publication of the annual report, applied and complied with most of the Code Provisions save for certain deviations from the Code Provisions in respect of code provisions A.2.1 and A.4.2, details of which are explained below.

Code provision A.2.1

The Company does not at present have any officer with the title of Chief Executive Officer ("CEO") but instead the duties of a CEO are performed by the Managing Director ("MD"). The Company does not have a separate Chairman and MD and Mr. Lam Kwok Hing currently holds both positions. The Board believes that vesting the roles of both Chairman and MD in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. In addition, through the supervision of the Board which comprised of three independent non-executive directors, representing more than half of the Board, the interests of the shareholders are adequately and fairly represented.

Code provision A.4.2

According to Bye-laws of the Company, the Chairman or MD are not subject to retirement by rotation or taken into account on determining the number of directors to retire. This constitutes a deviation from code provision A.4.2 of the CG Code. As continuation is a key factor to the successful implementation of any long term business plans, the Board believes, together with the reasons for deviation from code provision A.2.1, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

AUDIT COMMITTEE

The Audit Committee was established in 1999 and comprises three Board members, all of whom are Independent Non-executive Directors. The Audit Committee has adopted a revised term of reference which is effective 1st March, 2012 and describes the authority and duties of the Committee, as quoted under code provision C.3.3 of the GC Code.

The Audit Committee is primarily responsible for the following duties:

(a) to review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditor.

(b) to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointments, re-appointment and removal of external auditor.

(c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee will meet at least twice each year. In 2015, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31st December, 2015 and the interim results of the Group for the 6 months ended 30th June, 2015, assessing any changes in accounting policies and practices, major judgmental areas and compliance with applicable legal and accounting requirements and standards, discussing with the auditor of the Company on internal control and the re-appointment of the external auditor. The annual results for the financial year ended 31st December 2015 was reviewed by the Audit Committee before publication.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") is composed of three Directors, namely Messrs. Nam Kwok Lun, Kwan Wang Wai Alan and Ng Chi Kin David. The principal functions of the Remuneration Committee include determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts; making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time.

NOMINATON COMMITTEE

The nomination committee of the Company (the "Nomination Committee") is established on 27th March, 2012 and is composed of three Directors, namely Messrs. Lam Kwok Hing, Cheung Kin Wai and Ng Chi Kin David. The principal functions of the Nomination Committee include reviewing the structure, size and composition of the Board, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying and nominating qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31st December, 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2015.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

EVENT AFTER THE REPORTING PERIOD

There is no important event affecting the Group that have occurred since the end of the financial year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.atnt.biz). The annual report of the Company for the year ended 31st December, 2015 will be despatched to shareholders of the Company and available on the above websites in due course.

By Order of the Board
Asia Tele-Net and Technology Corporation Limited
Lam Kwok Hing
Chairman

Hong Kong, 30th March, 2016

As at the date of this announcement, the executive directors of the Company are Messrs. Lam Kwok Hing and Nam Kwok Lun, and the independent non-executive directors are Messrs. Cheung Kin Wai, Kwan Wang Wai, Alan and Ng Chi Kin, David.