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## ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

亞洲聯網科技有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 679)**

### FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “Board”) of Asia Tele-Net and Technology Corporation Limited (the “Company”) announced that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 (“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 31 DECEMBER 2024

	<u>NOTES</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Revenue			
Contracts with customers	4	375,960	393,328
Rental income		13,174	1,177
Interest income		17,961	25,175
Dividend income		12,017	11,608
		<u>419,112</u>	<u>431,288</u>
Cost of revenue		<u>(298,305)</u>	<u>(320,718)</u>
		120,807	110,570
Other gains and losses	5	5,663	700
Other income		27,266	55,959
Selling and distribution costs		(12,489)	(12,597)
Administrative expenses		(75,627)	(91,910)
Impairment losses under expected credit loss model, net of reversal		1,683	384,788
Loss on change in fair value of investment properties		(78,054)	(28,459)
Finance costs	6	<u>(1,470)</u>	<u>(3,923)</u>
(Loss) profit before taxation		<u>(12,221)</u>	<u>415,128</u>
Taxation	7	<u>(1,434)</u>	<u>(111,026)</u>
(Loss) profit for the year	8	<u>(13,655)</u>	<u>304,102</u>

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

*FOR THE YEAR ENDED 31 DECEMBER 2024*

	<u>NOTE</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(19,518)</u>	<u>(7,495)</u>
Total comprehensive (expense) income for the year		<u>(33,173)</u>	<u>296,607</u>
(Loss) profit for the year attributable to:			
Owners of the Company		<u>(14,100)</u>	<u>304,179</u>
Non-controlling interests		<u>445</u>	<u>(77)</u>
		<u>(13,655)</u>	<u>304,102</u>
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		<u>(33,593)</u>	<u>296,642</u>
Non-controlling interests		<u>420</u>	<u>(35)</u>
		<u>(33,173)</u>	<u>296,607</u>
(Loss) earnings per share	9		
Basic		<u>HK\$(0.04)</u>	<u>HK\$0.77</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AT 31 DECEMBER 2024*

	<u>NOTES</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Non-current assets			
Property, plant and equipment		68,514	75,869
Right-of-use assets		194	95
Investment properties		689,387	779,718
Deferred Consideration	10	102,300	88,402
Loans receivable	11	31,788	41,096
Investments in debt instruments		198,653	288,799
Interests in associates		-	-
		<u>1,090,836</u>	<u>1,273,979</u>
Current assets			
Inventories		17,502	20,671
Loans receivable	11	-	6,949
Contract assets		33,448	64,148
Debtors and prepayments	12	86,148	118,439
Investments at fair value through profit or loss ("FVTPL")		209,975	175,723
Amounts due from associates		154	104
Taxation recoverable		1,247	1,764
Investments in debt instruments		216,789	336,103
Pledged bank deposit		7,038	-
Bank deposits		96,618	-
Bank balances and cash		247,978	138,133
		<u>916,897</u>	<u>862,034</u>
Current liabilities			
Creditors and accrued charges	13	124,090	188,185
Other payables		142,689	142,689
Contract liabilities		66,609	83,113
Warranty provision		28,278	19,918
Lease liabilities		2,442	2,304
Bank borrowings		36,640	31,628
Taxation payable		163,745	167,241
		<u>564,493</u>	<u>635,078</u>
Net current assets		<u>352,404</u>	<u>226,956</u>
Total assets less current liabilities		<u><u>1,443,240</u></u>	<u><u>1,500,935</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***AT 31 DECEMBER 2024*

	<u>NOTE</u>	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Capital and reserves			
Share capital		3,827	3,940
Reserves		<u>1,408,863</u>	<u>1,465,132</u>
Equity attributable to owners of the Company		<u>1,412,690</u>	<u>1,469,072</u>
Non-controlling interests		<u>381</u>	<u>(39)</u>
Total equity		<u>1,413,071</u>	<u>1,469,033</u>
Non-current liabilities			
Warranty provision		1,121	4,190
Lease liabilities		867	3,206
Deferred tax liabilities		<u>28,181</u>	<u>24,506</u>
		<u>30,169</u>	<u>31,902</u>
		<u>1,443,240</u>	<u>1,500,935</u>

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, 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, property investment and treasury management. Treasury management refers to investments in listed shares, debt instruments, short time certificate of deposits or time deposits.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

### *Amendments to HKFRSs that are effective for the current year*

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain buildings and financial instruments that 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 FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

##### Revenue from contracts with customers

##### *Disaggregation of revenue from contracts with customers*

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
<b>Types of goods or services</b>		
Contract works in respect of design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery		
- Printed Circuit Boards	211,209	197,697
- Surface Finishing	88,300	121,676
	<u>299,509</u>	<u>319,373</u>
Sale of spare parts of electroplating machinery	13,437	11,212
Provision of services - repairs, maintenance and modification	63,014	62,743
<b>Total</b>	<u><u>375,960</u></u>	<u><u>393,328</u></u>
	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
<b>Timing of revenue recognition</b>		
A point in time	13,437	11,212
Over time	362,523	382,116
<b>Total</b>	<u><u>375,960</u></u>	<u><u>393,328</u></u>

##### Segment information

##### *Segment revenue and results*

In previous years, the Group had one operating segment. During the current year, the Group has established an investment committee to review the Group's investments on a regular basis, and therefore considers the Group is internally organized based on the nature of business activities, namely: (i) electroplating equipment which generates revenue from provision of goods or services related to electroplating machinery, (ii) property investment which generates rental income and (iii) treasury management (which is, mainly, the investment in debt instrument and equity investments and generates interest and dividend revenue). These are operating and reportable segments for the purpose of resources allocation and performance assessment. Comparative figures have been restated accordingly.

	<u>Segment revenue</u>		<u>Segment results</u>	
	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000 (restated)	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000 (restated)
Electroplating equipment	375,960	393,328	29,634	12,471
Property investment	13,174	1,177	(61,537)	416,410
Treasury management	29,978	36,783	40,819	31,886
<b>Total segment revenue/results</b>	<u><u>419,112</u></u>	<u><u>431,288</u></u>	<u>8,916</u>	<u>460,767</u>
Central corporate expenses			(21,137)	(45,639)
<b>(Loss) profit before taxation</b>			<u><u>(12,221)</u></u>	<u><u>415,128</u></u>

## 5. OTHER GAINS AND LOSSES

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Net change in fair value of investments at FVTPL	23,464	12,089
Net exchange loss	(11,471)	(12,329)
(Loss) gain on disposal of property, plant and equipment	(104)	299
Impairment of of property, plant and equipment	(6,222)	-
Others	(4)	641
	<u>5,663</u>	<u>700</u>

## 6. FINANCE COSTS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Interest on lease liabilities	191	465
Imputed interest on non-current portion of provision for performance related incentive payments	-	1,918
Interest on bank borrowings	1,279	1,540
	<u>1,470</u>	<u>3,923</u>

## 7. TAXATION

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Hong Kong Profit Tax	105	1,400
Taxation outside Hong Kong	1,024	167,558
PRC withholding tax	-	5,643
Overprovision in prior years	(3,910)	-
	<u>(2,781)</u>	<u>174,601</u>
Deferred tax charge (credit)	4,215	(63,575)
	<u>1,434</u>	<u>111,026</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC Enterprise Income Tax is calculated at 25% of the assessable profits of the entities established in the PRC. Withholding tax is levied on distribution of profits earned by PRC entities for profits generated after 1 January 2008 at rate of 5% for Hong Kong resident companies, which are the beneficial owners of the dividend received.

**8. (LOSS) PROFIT FOR THE YEAR**

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	1,530	1,530
Cost of inventories recognised as expenses (note i)	210,503	217,713
Direct outgoings for investment properties	2,503	2,884
Depreciation of property, plant and equipment	6,186	2,132
Depreciation of right-of-use assets	71	874
Staff costs:		
Directors' fee	300	300
Directors' salaries and other benefits	14,178	13,200
Provision for performance related incentive payments	-	16,081
Salaries and allowances	90,629	89,217
Contributions to retirement benefits schemes	1,469	1,642
	106,576	120,440
Impairment losses (reversals of impairment losses) for financial assets and contract assets, net:		
- Trade debtors	1,059	(212)
- Contract assets	(3,976)	5,233
- Loans receivable	258	4,175
- Investments in debt instruments	2,253	1,927
- Deferred Consideration	(1,277)	(395,911)
	(1,683)	(384,788)
Interest income from financial assets at amortised cost (included in other income):		
- loans receivable	(2,391)	(2,106)
- Deferred Consideration	(14,783)	(45,764)
- bank deposits	(3,974)	(2,635)
	(21,148)	(50,505)
Government grants (included in other income)	(16)	(17)
	<u>          </u>	<u>          </u>

Note i: Amount includes allowance for slow moving inventories of HK\$ 1,716,000 (2023: HK\$ 265,000).

## 9. (LOSS) EARNINGS PER SHARE

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

	2024 HK\$'000	2023 HK\$'000
(Loss) earnings for the year attributable to owners of the Company	(14,100)	304,179
Number of ordinary shares	383,096,159	393,953,400

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

## 10. DEFERRED CONSIDERATION

On 7 August 2011, a wholly-owned subsidiary of the Company entered into an agreement with an independent third party (together with its associates, defined as the "Counterparty") in relation to a re-development plan of two parcels of industrial lands located in Bao An District, Shenzhen, the PRC from industrial land into residential properties for resale. The Group has undertaken a series of negotiations with the Counterparty on the settlement scheme. On 28 June 2019 and 9 September 2019, the negotiation was finalised and the Group was offered a guaranteed cash consideration of RMB2,750,000,000 (equivalent to approximately HK\$3.1 billion) payable by six tranches which are due within on or before 6 January 2020 to on or before 5 January 2023. The Deferred Consideration is measured at amortised cost using the effective interest method, less any impairment. As at 1 January 2023, the aggregate outstanding instalment payments amounted to RMB1,550,000,000 has been defaulted.

During the prior year, the outstanding instalment payments had been reduced to RMB963,143,000 after the collateralised properties situated in the PRC were foreclosed by the Group. In addition, the Group has obtained control over Treasure Chance Properties Limited and Singkei Real Estate Investment Co. Limited, both of which hold investment properties in Hong Kong, with an aggregate consideration of HK\$141,689,000. The amount is payable immediately when the Counterparty has fully settled the outstanding principal amount of Deferred Consideration, and the Group is not obliged to pay the amount if the Counterparty has not satisfied the payment obligations by November 2028 (the "Payment Obligations"), and therefore presented as "other payables" on the consolidated statement of financial position as at 31 December 2024 and 2023. The Group has also obtained the first charge over certain residential properties in Hong Kong. In return, the Group has refunded the pledged cash deposits amounting HK\$200,000,000 to the Counterparty.

There are no other changes to the terms of the agreement or settlement scheme including the repayment terms and the late payment penalty terms since the default of the Counterparty, in which the Group is entitled to charge RMB50,000 per day for the first six months from the date of default and RMB100,000 per day from the seventh month from the date of default. Interest income of HK\$14,783,000 (2023: HK\$45,764,000) is recognised by applying the effective interest rate to the amortised cost of the Deferred Consideration.

## 10. DEFERRED CONSIDERATION (CONTINUED)

Considering the credit quality and industry in which the Counterparty operates, the measurement of ECL considers the amount and timing of cash flows that are expected from the foreclosure on the collaterals. As at 31 December 2024 and 2023, the outstanding amount of Deferred Consideration is secured by the first charge of certain residential properties situated in Hong Kong owned by the Counterparty and the Payment Obligations. The reversal for ECL of HK\$1,277,000 (2023: HK\$395,911,000) recognised for the year ended 31 December 2024 is mainly explained by the changes in the expected cash flows from the foreclosure of the collaterals (2023: the combined effect of settlement by way of properties and the changes in the collaterals from the Counterparty obtained by the Group).

As at 31 December 2024, the Deferred Consideration is expected to be recovered after more than one year and accordingly is classified as non-current assets.

## 11. LOANS RECEIVABLE

The following is the maturity profile of the loans receivable at the end of the reporting period:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Repayable within one year	9,982	7,500
Repayable after one year	31,672	50,153
Less: Impairment losses under ECL model	(9,866)	(9,608)
	<u>31,788</u>	<u>48,045</u>
Analysed for reporting purposes as:		
Current	-	6,949
Non-current	<u>31,788</u>	<u>41,096</u>
	<u>31,788</u>	<u>48,045</u>

As at 31 December 2024, the loan receivables carry annual interest ranging from 2.2% to Prime Rate in Hong Kong and contractually mature by December 2025 to March 2029. The loan receivables were secured by mortgages of properties owned by the borrower or the spouse of the borrower, and cash security of HK\$1,000,000 (which is included in "other payables" as at 31 December 2024 and 2023). The amounts contractually mature on December 2025 are not expected to be settled within twelve months and therefore the amounts are presented as noncurrent assets.

Included in the loan receivables balances at 31 December 2023 was an amount of HK\$37,000,000 drawdown by Karl Thomson Financial Group Limited ("KTFG"), of which Mr. Lam Kwok Hing, an executive director and the ultimate controlling shareholder of the Company, was the director of KTFG. The amount has been fully settled during the current year.

As at 31 December 2024, impairment losses under ECL model of loans receivable of HK\$9,866,000 (2023: HK\$9,608,000) are recognised.

## 12. DEBTORS AND PREPAYMENTS

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Trade debtors from contracts with customers	52,840	52,002
Less: Allowance for credit losses	(2,744)	(1,685)
	<u>50,096</u>	<u>50,317</u>
Rental and management fee receivable	5,193	842
Rental and utilities deposits	1,527	1,748
Deposits paid for purchases of raw materials	13,650	36,818
Deposits paid for subcontracting costs	1,487	2,705
Account balance placed with a broker	2,835	5,330
Interest receivable	4,822	10,231
Other tax receivables	345	3,806
Other debtors and prepayments	6,193	6,642
	<u>86,148</u>	<u>118,439</u>

The following is an ageing analysis of trade debtors net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which is approximated the respective recognition dates for sales of goods or respective dates of the achievement of the relevant milestone as stipulated in the relevant service contracts as appropriate:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
0 - 60 days	47,485	48,513
61 - 120 days	584	610
121 - 180 days	410	1,176
Over 180 days	1,617	18
	<u>50,096</u>	<u>50,317</u>

## 13. CREDITORS AND ACCRUED CHARGES

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
Trade creditors	63,092	104,161
Accrued staff costs	18,178	17,941
Accrued transaction costs associated with		
Deferred Consideration	-	2,988
Commission payables to sales agents	7,368	9,403
Provision for performance related incentive payments	10,072	27,072
Rental deposits received	1,757	1,373
Other creditors and accrued charges for operating costs	23,623	25,247
	<u>124,090</u>	<u>188,185</u>

**13. CREDITORS AND ACCRUED CHARGES (CONTINUED)**

The following is an ageing analysis of trade creditors presented based on invoice date as at the end of the reporting period:

	<u>2024</u> HK\$'000	<u>2023</u> HK\$'000
0 - 60 days	35,737	32,729
61 - 120 days	7,789	18,931
121 - 180 days	5,240	19,823
Over 180 days	14,326	32,678
	<u>63,092</u>	<u>104,161</u>

The average credit period on purchase of goods is 60 - 180 days (2023: 60 - 180 days).

## Chairman's Statement and Management Discussions

### FINANCIAL RESULTS

During the year ended 31 December 2024 ("the Period Under Review"), the Group recorded loss attributable to owners of the Company of approximately HK\$14,100,000 compared to the profit attributable to owners of the Company of approximately HK\$304,179,000 for the year ended 31 December 2023 ("the Previous Period"). The significant decrease in the Group's profit attributable to owners of the Company was mainly due to the off-setting effect of (i) decrease in the reversals of impairment losses under expected credit loss model; (ii) decrease in tax provision; (iii) increase in loss on change in fair value of investment properties; and (iv) decrease in other income as compared to the Previous Period.

The basic loss per share for the Period Under Review was HK\$0.04 compared to the basic earnings per share of HK\$0.77 of the Previous Period.

### FINANCIAL REVIEW

#### 1. Revenue

##### (a) Contract with customers

The revenue of contract with customers for the Period Under Review was approximately HK\$375,960,000 or 4.4% less than the Previous Period. Lower revenue reported during the Period Under Review was mainly due to stagnant global car production and regained demand for high-end communication device.

In terms of business segment, approximately 70.5% of the revenue was generated from PCB sector (the Previous Period: approximately 61.9%), and approximately 29.5% came from surface finishing sector (the Previous Period: approximately 38.1%).

In terms of the machines geographical installation base, the revenue composition during the Period Under Review was 28.7% machine values were installed in PRC (the Previous Period: 42.3%), 18.4% in South Korea (the Previous Period: 14.4%), 12.9% in the UK (the Previous Period: 2.8%), 12.0% in the USA (the Previous Period: 10.0%), 11.7% in the Philippines (the Previous Period: 5.9%), 7.2% in Mexico (the Previous Period: 13.6%), 2.8% in Taiwan (the Previous Period: 2.5%), and 6.3% in rest of the world (the Previous Period: 8.5%).

##### (b) Rental income

Rental income generated by the properties held by the Group during the Period Under Review was approximately HK\$13,174,000 (the Previous Period: HK\$1,177,000). The Group had obtained the legal titles and was entitled to rental income of certain investment properties in Hong Kong and the PRC starting from the fourth quarter of 2023.

##### (c) Interest income

Interest income from investments in debt instruments was approximately HK\$17,961,000 (the Previous Period: HK\$25,175,000).

##### (d) Dividend income

Dividend income received from investments in Hong Kong listed securities was approximately HK\$12,017,000 (the Previous Period: HK\$11,608,000).

## 2. Other gain or losses

This mainly represented (a) net change in realized and unrealized fair value gain of investments at FVTPL of approximately HK\$23,464,000 (the Previous Period: gain of HK\$12,089,000), (b) net exchange loss of approximately HK\$11,471,000 (the Previous Period: loss of HK\$12,329,000) and (c) impairment of property, plant and equipment of approximately HK\$6,222,000 (the Previous Period: nil).

- (a) Net change in realized and unrealized fair value gain of investments at FVTPL of approximately HK\$23,464,000 (the Previous Period: gain of HK\$12,089,000)

All investments at FVTPL were recorded at fair value as at 31 December 2024 and represented listed securities in Hong Kong. The gain of approximately HK\$23,464,000 represents fair value gain of investments at FVTPL, as a result of mark to market valuations as at the balance sheet date.

Below are information of the Group's investments at FVTPL as at 31 December 2024:

Company Name / Stock Code	% of Shareholding as at 31 December 2024	Fair value change HK\$'000	Fair value as at 31 December 2024 HK\$'000	% of Total Assets of the Group as at 31 December 2024	Fair value as at 31 December 2023 HK\$'000	% of Total Assets of the Group as at 31 December 2023
Shanghai Industrial Urban Development Group Ltd. (563)	0.40%	(370)	7,112	0.35%	4,720	0.22%
Q P Group Holdings Ltd. (1412)	3.19%	(881)	19,011	0.95%	10,508	0.49%
Hysan Development Company Ltd. (14)	0.07%	(2,782)	8,998	0.45%	11,780	0.55%
SenseTime Group Inc. (20)	0.01%	1,267	5,722	0.29%	4,455	0.21%
China Mobile Ltd. (941)	0.01%	23,600	153,200	7.63%	129,600	6.07%
China Construction Bank Corporation (939)	0.00%	1,830	6,480	0.32%	4,650	0.22%
Agricultural Bank of China Ltd. (1288)	0.00%	1,420	4,430	0.22%	3,010	0.14%
Others		(620)	5,022	0.25%	4,968	0.23%
<b>Total</b>		<u>23,464</u>	<u>209,975</u>	<u>10.46%</u>	<u>175,723</u>	<u>8.23%</u>

- (b) Net exchange loss of approximately HK\$11,471,000 (the Previous Period: loss of HK\$12,329,000)

The net exchange loss was mainly due to the exchange loss arising from year end revaluation of bank deposits and investments in debt instruments which was denominated in RMB. During the Period Under Review, RMB was depreciated by approximately 2.1%.

- (c) Impairment of property, plant and equipment of approximately HK\$6,222,000 (the Previous Period: nil)

The Group assesses impairment at the end of each reporting period by evaluating conditions that may lead to impairment of property, plant and equipment. Given that the property market prices have

dropped in general for the Previous Period, the Group has engaged an independent valuer to assess the fair value over certain property. Based on such valuation, an impairment of approximately HK\$6,222,000 was made.

### 3. Other income

This mainly represented (a) interest income from loans receivable and deposit placed with a broker of approximately HK\$2,391,000 (the Previous Period: HK\$2,106,000), (b) imputed interest income on Deferred Consideration of approximately HK\$14,783,000 (the Previous Period: HK\$45,764,000) and (c) interest income from bank deposits was approximately HK\$3,974,000 (the Previous Period: HK\$2,635,000).

#### (a) Interest income from loans receivable and deposit placed with a broker

This represented (i) interest income arising from loans receivable of approximately HK\$2,360,000 (the Previous Period: HK\$2,056,000) and (ii) interest received from deposit placed with a broker of approximately HK\$31,000 (the Previous Period: HK\$50,000).

##### i) Interest arising from loans receivable

On 7 September 2022, the Group entered into a loan facility agreement (“2022 Loan Facility Agreement”) with Karl Thomson Financial Group Limited (“KTFG”), which is a wholly owned subsidiary of Wisdom Wealth Resources Investment Holding Group Limited (“Wisdom Wealth Resources”). Mr. Lam Kwok Hing, an executive director and the ultimate controlling shareholder of the Company, and Mr. Nam Kwok Lun, an executive director of the Company who has an indirect interest in the Company, are the directors of KTFG. Pursuant to 2022 Loan Facility Agreement, the Group provides an unsecured revolving loan facility of HK\$80,000,000 bearing interest at prime rate as announced from time to time by The Hong Kong and Shanghai Banking Corporation Limited for lending Hong Kong Dollars (“Prime Rate”) for a term of three years commencing from the loan effective date and ending on 20 October 2025.

During the Period Under Review, the Group has received interest income of approximately HK\$768,000 (the Previous Period: HK\$1,266,000) from KTFG.

Besides the revolving loan facility with KTFG, the Group has also received interest income of approximately HK\$1,592,000 from other loans with independent third parties (the Previous Period: HK\$790,000).

##### ii) Interest received from deposit placed with a broker

Interest income from deposit placed with KTFG as a broker was approximately HK\$31,000 (the Previous Period: HK\$50,000).

#### (b) Imputed interest income on Deferred Consideration

Please refer to note 10 of the financial information of this result announcement for more detailed explanation on the imputed interest income of approximately HK\$14,783,000 (the Previous Period: HK\$45,764,000).

#### (c) Interest income from bank deposits

Interest income from bank deposits was approximately HK\$3,974,000 (the Previous Period: HK\$2,635,000).

The balance was various miscellaneous income and fees received.

#### **4. 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 for the electroplating equipment business segment. The costs for the Period Under Review was 0.9% less than the Previous Period.

#### **5. Administrative expenses**

The administrative expenses for the Period Under Review was 17.7% lower than the Previous Period. The decrease was mainly due to (a) provision for performance related incentive payments payable to executive directors of the Group in the Previous Period and (b) decrease in day-to-day administrative expenses.

##### **(a) Provision for performance related incentive**

Provision for performance related incentive payments is calculated by applying the pre-agreed percentage on the overall financial performance of the Group for a financial year. Overall financial performance of the Group refers to the profit after taxes attributable to the owners of the company as reported in the annual report.

In the Previous Period, the Group has made a provision for performance related incentive of approximately HK\$16,081,000.

No such provision was made in the Period Under Review.

##### **(b) Administrative expenses**

After taking out the effect of provision for performance related incentive payments in the Previous Period, the day-to-day administrative expenses for the Period Under Review was approximately HK\$75,627,000 which is lower than the Previous Period (the Previous Period: HK\$75,829,000).

As a benchmark, the average inflation rates in China and Hong Kong for 2024 were 0.2%<sup>1</sup> and 1.7%<sup>2</sup> respectively.

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<sup>1</sup> Inflation rate in China is reported by the National Bureau of Statistics of China.

<sup>2</sup> Inflation rate in Hong Kong is reported by Census and Statistics Department of Hong Kong.

## 6. Impairment losses under expected credit loss model, net of reversal

This represented (impairment losses) reversals of impairment losses under expected credit loss model for trade debtors, contract assets, loans receivable, investments in debt instruments and Deferred Consideration, net of reversal as below:-

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Trade debtors	(1,059)	212
Contract assets	3,976	(5,233)
Loans receivable	(258)	(4,175)
Investments in debt instruments	(2,253)	(1,927)
Deferred Consideration	1,277	395,911
	1,683	384,788

The Group recognized a reversal of impairment losses of approximately HK\$1,277,000 (the Previous Period: reversal of HK\$395,911,000) for Deferred Consideration. Please refer to note 10 of the financial information of this result announcement for more details.

## 7. Loss on change in fair value of investment properties

As at 31 December 2024, the Group held titles of (i) certain retail shops and offices located at Longhua PRC, (ii) certain office units located in Hong Kong and (iii) certain car parks located in Hong Kong. They are collectively referred to as Investment Properties in this announcement.

During the Period Under Review, the Group incurred loss on change in fair value of investment properties of approximately HK\$78,054,000 (the Previous Period: HK\$28,459,000). This amount represented the difference between the fair value of investment properties as at 31 December 2023 and 31 December 2024 as calculated by an independent valuer.

## 8. Finance cost

This represented mainly (a) the imputed interest expenses on non-current portion of provision of performance related incentive payments of nil (the Previous Period: HK\$1,918,000), (b) the interest expenses on lease liabilities of approximately HK\$191,000 (the Previous Period: HK\$465,000) and (c) interest on bank borrowings of approximately HK\$1,279,000 (the Previous Period: HK\$1,540,000).

The lease liability is treated as a borrowing, with its value increased as interest is recognised and decreased as lease payments are made.

## 9. Taxation

During the Period Under Review, the Group recorded an estimated tax charge of approximately HK\$4,015,000 (the Previous Period: HK\$109,458,000) associated with Deferred Consideration and reversed tax overprovision in prior years of approximately HK\$3,910,000 (the Previous Period: nil).

The balance of approximately HK\$1,329,000 represented mainly taxes paid and to be paid by our wholly-owned subsidiaries in Hong Kong and Taiwan.

## 10. Exchange difference arising on translation of foreign operation

This represented mainly the exchange difference arising on translation of operations in the PRC due to the depreciation in RMB (of approximately HK\$17,897,000) and revaluation of Deferred Consideration and corresponding deferred tax liability (of approximately HK\$1,621,000). The currency translation reserve was increased at the same amount.

## 11. Investment properties

Investment properties held as at 31 December 2024 are as follows:-

City	Property type	GFA (sq.m)
Shenzhen	Retail shops	3,493
Shenzhen	Office	12,720
Hong Kong	Office and industrial	1,788
Hong Kong	Car parks	NA

The fair value of the underlying investment properties held as of 31 December 2024 was approximately HK\$689,387,000 (31 December 2023: HK\$779,718,000).

## 12. Deferred Consideration

Please refer to note 10 of the financial information of this result announcement for more detailed explanation.

## 13. Loans receivable

On 7 September 2022, the Group entered into 2022 Loan Facility Agreement with KTFG, which is a wholly owned subsidiary of Wisdom Wealth Resources. Mr. Lam Kwok Hing, an executive director and the ultimate controlling shareholder of the Company, and Mr. Nam Kwok Lun, an executive director of the Company who has an indirect interest in the Company, are the directors of KTFG. Pursuant to 2022 Loan Facility Agreement, the Group provides an unsecured revolving loan facility of HK\$80,000,000 bearing interest at Prime Rate for a term of three years commencing from the loan effective date and ending on 20 October 2025.

As at 31 December 2024, KTFG has fully repaid the loan (31 December 2023: approximately HK\$37,000,000 was drawn by KTFG in accordance with the terms of the 2022 Loan Facility Agreement). The average effective interest rate, which is equal to contractual interest rate, is 5.875% (the Previous Period: 5.77%) per annum.

As reported in above, the total interest earned in relation to above loan was approximately HK\$768,000 (the Previous Period: HK\$1,266,000).

Besides the revolving loan facility with KTFG, the Group has granted loans to independent third parties bearing interest between 5.25% to 8.875% per annum and the Group has received interest income of approximately HK\$1,592,000 from these loans during the Period Under Review (the Previous Period: HK\$790,000).

The carrying amount for each respective period is shown below:-

	As at 31/12/2024 HK\$'000	As at 31/12/2023 HK\$'000
Principal outstanding repayable within one year	9,982	7,500
Principal outstanding repayable after one year	31,672	50,153
Less impairment loss allowance	(9,866)	(9,608)
Net carrying amount	31,788	48,045
Analysed for reporting purpose as:		
Current	-	6,949
Non-current	31,788	41,096
	31,788	48,045

#### 14. Investments in debt instruments

Investments in debt instruments made by the Group as of 31 December 2024 are set out below:

No	Issuer	Bond currency	Coupon rate	Maturity date	Investment cost as at 31/12/2024 HKD'000	Bond credit rating S&P's	Bond credit rating Moody's	% to Group's total assets (note)
1	Sun Hung Kai Properties Capital Market Ltd	RMB	3.20%	14/8/2027	5,151	NR	NR	0.3%
2	NWD MTD Ltd	USD	5.88%	16/6/2027	3,877	NR	NR	0.2%
3	NWD Finance BVI Ltd	USD	6.15%	Perpetual	7,754	NR	NR	0.4%
4	HKSAR Gov't of PRC	RMB	3.00%	11/1/2025	10,822	A++	AA-	0.5%
5	Link Finance Cayman 2009 Ltd	RMB	3.55%	14/11/2025	86,610	A	A2	4.3%
6	Bank of China Ltd, HK Branch	RMB	2.93%	27/3/2025	70,305	A	NR	3.5%
7	China Education Group	RMB	4.00%	19/4/2026	2,148	AA	NR	0.1%
8	Shanghai Commercial Bank Ltd	RMB	6.38%	28/2/2033	1,928	NR	A1	0.1%
9	HSBC Holdings PLC	USD	8.00%	Perpetual	1,552	NR	NR	0.1%
10	Bank of East Asia Ltd	USD	6.75%	15/3/2027	19,366	A	A3	1.0%
11	Swire Properties MTN Financing Ltd	RMB	3.20%	18/1/2025	16,181	NR	A2	0.8%
12	Bank of East Asia Ltd	USD	6.75%	15/3/2027	5,810	A	A3	0.3%
13	CCB, Lux	USD	0.00%	30/4/2025	21,495	A	A1	1.1%
14	HSBC Holdings PLC	USD	5.89%	14/8/2027	78,667	NR	A3	3.9%
15	BEA Ltd	USD	6.63%	13/3/2027	31,376	BBB	Baa2	1.6%
16	CLP Power HK Financing Ltd	USD	2.13%	30/6/2030	20,840	NR	A1	1.0%
17	ICBC, Doha	USD	0.00%	26/3/2025	11,376	A	A1	0.6%
18	HK Mortgage Corp Ltd	USD	4.13%	18/10/2027	1,549	AA+	Aa3	0.1%
19	Swire Properties MTN Fin Ltd	USD	3.50%	10/1/2028	7,510	NR	A2	0.4%
20	CK Hutchison Int'l (24) Ltd	USD	4.38%	13/3/2030	15,306	A	A2	0.8%
Total investment cost					419,623			
Less: impairment losses under ECL model					(4,181)			
Net carrying amount					415,442			

Note: None of these investments represented more than 5% of the Group's total assets as at 31 December 2024.

The carrying amount for each respective period is shown below:-

	As at 31/12/2024 HK\$'000	As at 31/12/2023 HK\$'000
Investment cost	419,623	626,829
Less impairment loss allowance	(4,181)	(1,927)
Net carrying amount	415,442	642,902
Analysed for reporting purpose as:		
Current	216,789	336,103
Non-current	198,653	288,799
	415,442	642,902

The acquisition of the bonds forms part of the Group's ordinary course of treasury activities in managing its financial assets. The bonds offer a better return when compared to fixed-term deposit interest rates offered by commercial banks in Hong Kong. Primary objective of these investments is to collect the contractual interest due and principal upon maturity. At time of investment, the Group will consider the acquisition prices, the coupon rate, the maturity date and the background of the issuers.

## 15. Investments at FVTPL

The Group's investment strategy is to pursue a balanced approach in exploring favourable short-term and long-term investments to, including but not limited to, (a) build a diversified portfolio which can deliver steady income to the Group; (b) offer potential capital gain and (c) invest in sector(s) with long term potential growth. The Group will strive to deliver a diversified investment portfolio which offers potential growth while maintaining a relatively prudent capital management approach.

As at 31 December 2024, the Group held 21 listed equity securities in Hong Kong with the fair value of approximately HK\$210.0 million.

Company Name / Stock Code	Note	Investment Cost HK\$'000	Fair value as at 31 December 2024 HK\$'000	% as compared to the Group's total assets as at 31 December 2024	Dividend received HK\$'000	Fair value change HK\$'000	Fair value as at 31 December 2023 HK\$'000
China Mobile Ltd. (941)	(a)	102,739	153,200	7.63%	9,000	23,600	129,600
Others	(b)	111,559	56,775	2.83%	3,017	(136)	46,123
Total		214,298	209,975	10.46%	12,017	23,464	175,723

Notes:

(a) The principal business of the investee, China Mobile Limited ("China Mobile"), is the provision of communication and information services. As of 31 December 2024, the Group held 2,000,000 shares in China Mobile which represented approximately 0.01% of the total issued shares of China Mobile and approximately 7.63% of the Group's total assets. During the year, the fair value change of approximately HK\$23,600,000 represented unrealised fair value gain of approximately HK\$23,600,000. The Group received a dividend of approximately HK\$9,000,000 during year 2024. China Mobile's revenue has grown steadily from approximately RMB768 billion in year 2020 to RMB1,041 billion in year 2024. For each financial year in last five years, its net profit after taxes was over RMB100 billion. Solid financial performance has demonstrated the strength of its management team. The dividend payout ratio was 73% in year 2024. The management of China Mobile has publicly committed to gradually increase the dividend payout to 75% in the next three-year period from 2024. The Board believes that the investment in China Mobile will bring steady income to the Group.

(b) None of these investments represented more than 5% of the Group's total assets as at 31 December 2024.

## **16. Contract assets**

The Group is entitled to invoice customers for construction of custom-built electroplating machinery and other industrial machinery based on achieving a series of performance-related milestones. The contract assets represent the amount which the Group is entitled to claim against the customers for the work completed but not yet billed. They are not billed because the agreed performance-related milestones are still under processed. When a performance-related milestone of a certain project is completed, such related contract assets will be transferred to trade receivables.

## **17. Creditors and accrued charges**

The amount payable to creditors and accrued charges as at 31 December 2024 was approximately HK\$124,090,000 which was approximately HK\$64,095,000 lower than the Previous Period. Please refer to note 13 of the financial information of this result announcement for more details. The decrease was mainly due to (a) decrease in trade creditors by approximately HK\$41,069,000 and (b) decrease in provision for performance related incentive payments payable by approximately HK\$17,000,000.

## **18. Contract liabilities**

From time to time, customers will pay to the Group various performance related milestone payments in accordance with accepted purchase orders or agreed contracts. Contract liabilities represent the Group's obligations to transfer goods or services to customers for which the Group has already received consideration from the customers.

## **19. Deferred tax under non-current liabilities**

The Group has recorded a deferred taxation of approximately HK\$25,576,000 as estimated taxation expenses in relation to the estimated recoverable amount from the Counterparty.

The balance of approximately HK\$2,605,000 represented deferred tax liabilities recognized for accelerated tax depreciation of approximately HK\$245,000, credit of approximately HK\$392,000 for impairment losses on assets, and withholding tax provision for dividend payable by a PRC subsidiary of approximately HK\$2,752,000.

## 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 increased from HK\$197,697,000 in Previous Period to HK\$211,209,000, representing 6.8% rise. Out of this total revenue, from the perspective of installation location, nearly 22.7% were shipments made to PRC (35.3% in Previous Period), 32.6% were shipments made to South Korea (26.7% in Previous Period) and 20.9 % were shipments made to the Philippines (11.7% in Previous Period).

Two main markets driving our revenue in PCB sector are PCBs used in smartphone and car. The development of car industry is elaborated in our other sector, surface finishing sector, below.

According to a preliminary report released by IDC, worldwide smartphone shipments increased by 2.4% year over year in the fourth quarter of 2024 at shipment volume of approximately 331.7 million units. On an annual basis, worldwide shipments recorded a growth of 6.4%, marking a recovery after two challenging years of decline.

Top 5 Smartphone Companies, Worldwide Shipments, Market Share, and Year-Over-Year Growth, Q4 2024 and full year (shipments in millions of units)					
Company	4Q 2024 Shipment Volumes	4Q 2024 Market Share	2024 Shipment Volumes	2023 Shipment Volumes	Year-Over-Year Change
Apple	76.9	23.2%	232.1	234.6	-0.9%
Samsung	51.7	15.6%	223.4	226.6	-1.4%
Xiaomi	42.7	12.9%	168.5	145.9	15.4%
Transsion	27.2	8.2%	106.9	103.1	12.7%
Vivo	27.1	8.2%	104.8	94.9	1.4%
Others	106.1	32.0%	402.9	361.8	12.3%
<b>Total</b>	<b>331.7</b>	<b>100.0%</b>	<b>1,238.8</b>	<b>1166.9</b>	<b>6.4%</b>
Due to rounding, some figures may not add up precisely to the totals shown					
Source: IDC Worldwide Quarterly Mobile Phone Tracker, January 13, 2025					

Based on publicly available information, most of PCB (Printed Circuit Board) manufacturers recorded profits in 2024. For example, based on 40 PCB manufacturers listed in Hong Kong and China, the total revenue marked a 16.59% year-over-year increase in the first half of 2024. Among these companies, 22 reported positive net profit growth, while 18 faced declines. The overall net profit growth rate was 7.23%.

The industry's recovery was fueled by advancements in AI, automotive electronics, and high-speed communication technologies.

### 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 27.4% from approximately HK\$121,676,000 in the Previous Period to approximately HK\$88,300,000 for the Period Under Review. Out of this total revenue, from the perspective of installation location, nearly 12.8% were shipments made to PRC (42.7% in Previous Period), 43.0% were shipments made to the United Kingdom (nil in Previous Period) and 27.9% were shipments made to Mexico (43.5% in Previous Period).

The revenue of SF sector, for past few years, was mainly streamed from multinational companies selling automotive parts.

According to a report released by ACEA, global new car registrations has slightly increased by 2.5% from 72.8 million to 74.6 million in 2024. Global car manufacturing totalled 75.5 million units, a slight 0.5% decline from the previous year. Among the main regions, Europe, North America, and Japan experienced the most considerable downturns.

Global Car Production				
Region	2024 <sup>1</sup>	2023	% Change (2024/2023)	% share in 2024
Europe	14,394,326	15,086,144	- 4.6%	19.1%
North America	11,351,650	11,721,653	- 3.2%	15.0%
South America	2,166,940	2,131,763	+ 1.7%	2.9%
Asia	45,744,807	45,075,872	+ 1.5%	60.6%
Middle East / Africa	1,844,434	1,837,721	+ 0.4%	2.4%
WORLD	75,502,157	75,853,153	- 0.5%	100.0%
<sup>1</sup> Provisional figures included Source: S&P Global Mobility				

Year 2024 was an uneven year as far as the SF sector is concerned. We noticed that our customers have taken longer time in their decision process and have delayed certain major investment plans given the high input cost and ever increasing geopolitical risks.

## Outlook

The pace of interest rate cut was and seems to be slower than what people have speculated at the beginning of year 2024. The chairman of Federal Reserve Mr. Powell said on few occasions that the committee did not need to be “in a hurry” to make further adjustments to policy rates. High interest rates have placed a heavy burden on the economy and will weaken consumers’ confidence. Dealerships and manufacturers face higher costs for financing inventory and when offering low-interest loans as incentives.

The tariff war started by the Trump office is an added deterrent to capital investment plan. We expect year 2025 will be a very challenging year for our electroplating equipment business.

## BUSINESS REVIEW ON PROPERTY INVESTMENT SEGMENT

Investment properties held as at 31 December 2024 :-

City	Property type	GFA (sq.m)	Occupancy rate at 31 December 2024 (%)
Shenzhen	Retail shops	3,493	70.7%
Shenzhen	Office	12,720	49.8%
Hong Kong	Office and industrial	1,788	84.2%
Hong Kong	Car parks	NA	83.3%

The occupancy rate is calculated based on lease agreements entered and are still subsisting on or before 31 December 2024.

During the Period Under Review, the Group has recorded rental income of approximately HK\$13,174,000 (the Previous Period: HK\$1,177,000). The fair value of the underlying investment properties held as of 31 December 2024 was approximately HK\$689,387,000.

Year 2024 was a challenging year for Hong Kong's commercial real estate market across different sectors. The slow economic recovery in mainland China, coupled with looming new office supply, high interest rates, and weak retail sales, hindered property market recovery. Investors and corporate occupiers remained largely cautious. Hong Kong's office vacancy rate would rise by 1.9 percentage points in year 2024 to 18.9 percent, and the rents will drop by up to 10 percent year-on-year, as estimated by real estate services and investment firm CBRE.

In China, one of the most pressing challenges facing the commercial real estate investors was the persistent issue of oversupply. Without the backdrop of strong economic growth, property owners have widely adopted the 'price-for-volume' approach which inevitably has exerted pressure on asking rent.

As a general outlook, Mainland China and Hong Kong commercial property investment companies will continue to face challenges in 2025.

## **TREASURY MANAGEMENT**

Treasury management refers to investments in listed shares, debt instruments, short time certificate of deposits or time deposits.

### **Investments in listed shares**

The Group's investment strategy is to pursue a balanced approach in exploring favourable short-term and long-term investments to, including but not limited to, (a) build a diversified portfolio which can deliver steady income to the Group; (b) offer potential capital gain and (c) invest in sector(s) with long term potential growth. The Group will strive to deliver a diversified investment portfolio which offers potential growth while maintaining a relatively prudent capital management approach.

As at 31 December 2024, the fair value of the investments in listed shares was approximately HK\$209,975,000. During the Period Under Review, the Group has received dividend income of approximately HK\$12,017,000 from such investments.

The Group is holding a diversified portfolio which mainly composes of investees who would offer steady dividend payout. Shareholders are advised to refer to the table listed in point (2) under the heading "Other gain or loss" for details.

### **Investments in debt instruments**

As at 31 December 2024, the carrying value of the investments in debt instruments was approximately HK\$415,442,000. During the Period Under Review, the Group has received interest income of approximately HK\$17,961,000 from such investments.

The Group is holding a diversified bond portfolio and most of them are investment grade bonds with a relatively low default risk. The bonds offer a better return when compared to fixed-term deposit interest rates offered by commercial banks in Hong Kong. Primary objective of these investments is to collect the contractual interest due and principal upon maturity. At time of investment, the Group will consider the acquisition prices, the coupon rate, the maturity date and the background of the issuers.

Shareholders are advised to refer to the table listed in point (14) under the heading "Investment in debt instrument" for details.

## **Deposits**

For spare fund which we have not yet identified suitable investments, the Group will place it under time deposit or certificate of deposits.

## **MATERIAL ACQUISITION AND DISPOSAL**

### **(a) Material acquisitions of assets**

Reference is made to the announcements of the Company dated 23 February 2024, 5 March 2024, 22 April 2024, 18 June 2024, 21 June 2024, 2 July 2024, 26 July 2024, 10 September 2024 and 30 September 2024 in relation to the acquisition of deposit products, fixed rate notes and bonds. Holdings as at 31 December 2024 were disclosed in the sections “Investments in debt instruments” and “Investments at FVTPL” above.

### **(b) Two major transactions and a very substantial transaction were completed in Period Under Review**

References are made to the following publications of the Company

- (I) the announcement of the Company dated 9 October 2023 and the circular of the Company dated 23 February 2024 in relation to the transfer of certain properties in China;
- (II) the announcement of the Company dated 1 November 2023 and the circular of the Company dated 8 March 2024 in relation to the transfer of certain properties in the Hong Kong; and
- (III) the announcement of the Company dated 4 December 2023 and the circular of the Company dated 23 July 2024 in relation to the transfer of certain properties in China.

As at the date of this announcement, transactions listed above are all completed. Following the completion of all the transactions listed above, the Group through its subsidiaries becomes the legal owner of all the properties contemplated in all the transactions listed above. The Group also holds (a) a first mortgage in respect of a residential unit in Hong Kong and (b) interest-free and unsecured promissory notes for an amount of HK\$141,689,000 as collaterals against certain liabilities. Deferred consideration was recognized and represents the discounted value of such securities held. Please refer to note 10 of the financial information of this result announcement for more detailed explanation.

## **EVENT AFTER THE REPORTING PERIOD**

Reference is made to the announcements of the Company dated 9 January 2025 in relation to the acquisition of US treasury bills.

## **CONTROLLING SHAREHOLDER’S INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Save for disclosed in the “Continuing Connected Transactions” below, no controlling Shareholder or its subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group, to which the Company or any of its subsidiaries was a party during the year.

## CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 7 September 2022 and the circular dated 13 October 2022 in relation to the provision of revolving loan (the “Revolving Loan”).

On 21 October 2019 (after trading hours), PAL Finance Limited, an indirect wholly owned subsidiary of the Company (the “Lender”), entered into a loan facility agreement (“2019 Loan Facility Agreement”) with KTFG, pursuant to which the Lender has agreed to provide an unsecured revolving loan facility of HK\$130,000,000 to KTFG bearing interest at Prime Rate for three years ending on 20 October 2022.

On 7 September 2022 (after trading hours), the Lender entered into a loan facility agreement with KTFG, pursuant to which the Lender has agreed to provide a revolving loan facility of HK\$80,000,000 bearing interest at Prime Rate for a term from the loan effective date to 20 October 2025 (the “2022 Loan Facility Agreement”).

As the KTFG is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the provision of the Revolving Loan by the Lender to the KTFG under the 2022 Loan Facility Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the provision of the Revolving Loan exceed 25% but less than 100%, the entering into of the 2022 Loan Facility Agreement and the provision of the Revolving Loan constitute a major and continuing connected transaction of the Company under Chapter 14 and 14A of the Listing Rules and are subject to the reporting, announcement and the independent shareholders’ approval requirement under the Listing Rules. An extraordinary general meeting was convened on 28 October 2022 and the 2022 Loan Facility Agreement was approved by the independent shareholders of the Company in the said meeting.

As at 31 December 2024, KTFG has repaid the loan in full (31 December 2023: approximately HK\$37,000,000 was drawn by KTFG in accordance with the terms of the 2022 Loan Facility Agreement). The weighted average effective interest rate, which is equal to contractual interest rate, is 5.875% (31 December 2023: 5.77%) per annum.

Pursuant to Rule 14A.55 of the Listing Rules, both the 2019 Loan Facility Agreement and 2022 Loan Facility Agreement have been reviewed by the Independent Non-executive Directors who have confirmed that the Revolving Loan was carried out:

- (a) in the ordinary and usual course of business of the Company;
- (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Company than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company’s auditors (the “Independent Auditors”) were engaged to report on the Group’s continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Independent Auditors will issue their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

Pursuant to Rule 14A.56 of the Listing Rules, the Independent Auditors confirmed that the continuing connected transactions:

- (i) had received the approvals of the Board;
- (ii) had been entered into in accordance with the relevant agreements governing the 2019 Loan Facility Agreement and 2022 Loan Facility Agreement; and
- (iii) had not exceeded the caps disclosed in the previous circulars of the Company dated 27 September 2019 and 20 October 2022.

## **BUSINESS STRATEGIES**

Asia Tele-Net and Technology Corporation Limited is an investment holding company based in Asia. As an investment holding company, we hold investments in various disciplines.

### *For electroplating equipment segment*

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.

### *For property investment segment*

With the properties held on hands, we will continue to seek rental income commensurate with what the market is offering.

### *For treasury management segment*

Treasury management refers to investment in debt instrument, listed stock and deposit products.

The acquisition of the bonds forms part of the Group’s ordinary course of treasury activities in managing its financial assets. The bonds offer a better return when compared to fixed-term deposit interest rates offered by commercial banks in Hong Kong. Primary objective of these investments is to collect the contractual interest due and principal upon maturity. At time of investment, the Group will consider the acquisition prices, the coupon rate, the maturity date and the background of the issuers.

The Group’s investment strategy in listed stock is to pursue a balanced approach in exploring favourable short-term and long-term investments to, including but not limited to, (a) build a diversified portfolio which can deliver steady income to the Group; (b) offer potential capital gain and (c) invest in sector(s) with long term potential growth. The Group will strive to deliver a diversified investment portfolio which offers potential growth while maintaining a relatively prudent capital management approach

### *General*

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 discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

## **FINANCIAL REVIEW**

### **Capital Structure, Liquidity and Financial Resources**

As at 31 December 2024, the Group had equity attributable to owners of the Company of approximately HK\$1,412,690,000 (31 December 2023: HK\$1,469,072,000). The gearing ratio was 2.6% (31 December 2023: 2.2%). The gearing ratio is calculated by dividing the aggregate amount of bank borrowings and other interest-bearing loans over the amount of equity attributable to the equity holders of the Company.

As at 31 December 2024, the Group had approximately HK\$344,596,000 of cash on hand (31 December 2023: HK\$138,133,000).

As at 31 December 2024, the Group pledged deposits of HK\$7,038,000 (31 December 2023: nil) to banks to secure the issuance of bank guarantee of the same amount. Total banking facilities available to the Group for electroplating equipment segment is HK\$102,300,000 (31 December 2023: HK\$102,300,000). Out of the facilities available, the Group has utilized approximately HK\$7,038,000 for the issuance of bank's guarantee under which customers retain right to claim refund of purchase deposits received by the Group as at 31 December 2024 (31 December 2023: nil).

As at 31 December 2024, banking facilities available to the Group for wealth management and investment purpose is HK\$931,800,000 (31 December 2023: HK\$931,800,000). The Group has utilized approximately HK\$6,328,000 for the bank borrowings (31 December 2023: nil).

As at 31 December 2024, banking facilities available to and utilized by the Group for investment properties is approximately HK\$30,312,000 (31 December 2023: HK\$31,628,000). Such facilities are secured by certain properties in Hong Kong.

### **Foreign Currency Risk**

Most of the assets in the Group were denominated in Renminbi. During the Period Under Review, Renminbi has depreciated for 2.1% which has brought a negative financial impact on the Group. The Group currently does not have any foreign currency hedging policy. However, the Group will continue to monitor foreign exchange exposure and will consider hedging arrangement should the need arises.

Rest of the assets and liabilities in the Group were mainly denominated in US dollars and HK dollars.

### **Contingent Liabilities**

As at 31 December 2024, the Company had guarantees of approximately HK\$1,034,100,000 (31 December 2023: HK\$1,034,100,000) to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilized by the subsidiaries was approximately HK\$43,678,000 (31 December 2023: HK\$31,628,000).

### **Pledge of Assets**

As at 31 December 2024, apart from the cash of HK\$7,038,000 (31 December 2023: nil) pledged to the banks for the issuance of bank guarantees as disclosed above, certain investment properties (31 December 2023: certain investment properties) held by the Group were pledged to a licensed bank in Hong Kong for a mortgage loan.

## **Capital Commitment**

As at 31 December 2024, the Group did not have any significant capital commitment (31 December 2023: nil).

## **Employee and Remuneration Policies**

As at 31 December 2024, the Group employs a total of 327 employees (31 December 2023: 327), including 12 employees (31 December 2023: 12) hired by our associated company. Employees and Directors 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. No option was granted during the Period Under Review (the Previous Period: nil).

## **FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of HK\$0.02 (2023: HK\$0.02) per share for the Period Under Review. Subject to the approval from the shareholders at the forthcoming Annual General Meeting, the proposed final dividend is expected to be paid on or before 24 July 2025 to shareholders whose names appear on the Register of Members of the Company on 7 July 2025.

## **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 (“Code Provisions”) set out in Appendix C1 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 as set out in the CG Code of the Listing Rules. The Company has, throughout the year ended 31 December 2024 and up to the date of this announcement, applied and complied with most of the Code Provisions save for certain deviations from the Code Provisions in respect of code provisions C.2.1 and B.2.2, details of which are explained below.

### Code provision C.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 B.2.2

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 B.2.2 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 C.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 1 March 2012 and describes the authority and duties of the Committee, as quoted under code provision D.3.3 of the CG 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 2024, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31 December 2023 and the interim results of the Group for the 6 months ended 30 June 2024, 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 31 December 2024 was reviewed by the Audit Committee before publication.

## REMUNERATION COMMITTEE

For year 2024, the remuneration committee of the Company (the “Remuneration Committee”) is composed of four Directors, namely Messrs. Nam Kwok Lun, Cheung Kin Wai, Ng Chi Kin David and Hong Hui Lung. 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.

## NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) is established on 27 March 2012. For year 2024, it 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.

## INVESTMENT COMMITTEE

The investment committee of the Company (the “Investment Committee”) is composed of four Directors, namely Mr. Lam Kwok Hing, Mr. Nam Kwok Lun, Ms. Yung Wai Ching and Mr. Hong Hui Lung. The principal functions of the Investment Committee include reviewing, evaluation and subsequent monitoring of any investment project or financial investment activities. The committee has a 2-tier approval structure. For investment project or financial investment activities which are very substantial transactions and connected transactions as defined by the Hong Kong Listing Rules, the Investment Committee will recommend to the Board before proceeding.

## 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 C3 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 31 December 2024.

## **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 31 December 2024.

## **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 31 December 2024 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 audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(i) For determining the entitlement to attend and vote at the annual general meeting**

- Latest time to lodge all transfer documents for registration with Company's registrar At 4:30 p.m. on 19 June 2025 (Thu)
- Closure of Register of Members 20 June 2025 (Fri) to 26 June 2025 (Thu) (both dates inclusive)
- Record date 26 June 2025 (Thu)

### **(ii) For determining the qualification for the proposed final dividend**

- Ex-dividend date 30 June 2025 (Mon)
- Latest time to lodge all transfer documents for registration with Company's registrar At 4:30 p.m. on 2 July 2025 (Wed)
- Closure of Register of Members 3 July 2025 (Thu) to 7 July 2025 (Mon) (both dates inclusive)
- Record date 7 July 2025 (Mon)
- Payment of dividend 24 July 2025 (Thu)

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the annual general meeting, and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with Company's share registrars and transfer office, Tricor Investor Secretaries Limited, at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong no later than the aforementioned latest time.

## **ANNUAL GENERAL MEETING**

The forthcoming Annual General Meeting of the Company will be held on Thursday, 26 June 2025. Further announcement(s) and/or circular will be made by the Company as and when appropriate in accordance with the Listing Rules.

## **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 31 December 2024 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 M.H., J.P.**  
*Chairman and Managing Director*

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive directors of the Company are Mr. LAM Kwok Hing M.H., J.P., Mr. NAM Kwok Lun and Ms. YUNG Wai Ching, and the independent non-executive directors are Mr. CHEUNG Kin Wai, Mr. NG Chi Kin, David and Mr. HONG Hui Lung.*

*\* For identification purpose only*