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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 2025

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 2025 (“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 2025

	<u>NOTES</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Revenue			
Contracts with customers	4	445,862	375,960
Rental income		14,448	13,174
Interest income		15,370	17,961
Dividend income		13,172	12,017
		<u>488,852</u>	<u>419,112</u>
Cost of revenue		<u>(350,973)</u>	<u>(298,305)</u>
		137,879	120,807
Other gains and losses	5	35,536	5,663
Other income		26,947	27,266
Selling and distribution costs		(14,350)	(12,489)
Administrative expenses		(75,071)	(75,627)
Impairment losses under expected credit loss model, net of reversal		(4,750)	1,683
Loss on change in fair value of investment properties		(114,128)	(78,054)
Finance costs	6	(1,012)	(1,470)
		<u>(8,949)</u>	<u>(12,221)</u>
Loss before taxation		(8,949)	(12,221)
Taxation	7	(4,561)	(1,434)
		<u>(13,510)</u>	<u>(13,655)</u>
Loss for the year	8	(13,510)	(13,655)

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

FOR THE YEAR ENDED 31 DECEMBER 2025

	<u>NOTE</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>20,793</u>	<u>(19,518)</u>
Total comprehensive income (expense) for the year		<u>7,283</u>	<u>(33,173)</u>
 (Loss) profit for the year attributable to:			
Owners of the Company		(13,410)	(14,100)
Non-controlling interests		<u>(100)</u>	<u>445</u>
		<u>(13,510)</u>	<u>(13,655)</u>
 Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		7,515	(33,593)
Non-controlling interests		<u>(232)</u>	<u>420</u>
		<u>7,283</u>	<u>(33,173)</u>
 Loss per share			
Basic	9	<u>HK\$(0.04)</u>	<u>HK\$(0.04)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<u>NOTES</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Non-current assets			
Property, plant and equipment		61,875	68,514
Right-of-use assets		5,285	194
Investment properties		587,873	689,387
Deferred Consideration	10	90,064	102,300
Loans receivable	11	17,422	31,788
Investments in debt instruments		216,264	198,653
		978,783	1,090,836
Current assets			
Inventories		14,651	17,502
Loans receivable	11	15,457	-
Contract assets		29,496	33,448
Debtors and prepayments	12	129,337	86,148
Deferred Consideration	10	26,788	-
Investments at fair value through profit or loss ("FVTPL")		239,298	209,975
Amounts due from associates		180	154
Taxation recoverable		1,495	1,247
Investments in debt instruments		47,587	216,789
Pledged bank deposit		-	7,038
Bank deposits		358,616	96,618
Bank balances and cash		193,489	247,978
		1,056,394	916,897
Current liabilities			
Creditors and accrued charges	13	139,537	124,090
Other payables		142,689	142,689
Contract liabilities		87,654	66,609
Warranty provision		24,456	28,278
Lease liabilities		2,304	2,442
Bank borrowings		28,851	36,640
Taxation payable		164,418	163,745
		589,909	564,493
Net current assets		466,485	352,404
Total assets less current liabilities		1,445,268	1,443,240

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*AT 31 DECEMBER 2025*

	<u>NOTE</u>	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Capital and reserves			
Share capital		3,820	3,827
Reserves		1,402,676	1,408,863
Equity attributable to owners of the Company		1,406,496	1,412,690
Non-controlling interests		149	381
Total equity		1,406,645	1,413,071
Non-current liabilities			
Warranty provision		3,000	1,121
Lease liabilities		3,804	867
Deferred tax liabilities		31,819	28,181
		38,623	30,169
		1,445,268	1,443,240

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.

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

Amendments to HKFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied, the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as 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>2025</u> HK\$'000	<u>2024</u> HK\$'000
Types of goods or services		
Contract works in respect of design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery		
- Printed Circuit Boards	255,828	211,209
- Surface Finishing	78,936	88,300
	<u>334,764</u>	<u>299,509</u>
Sale of spare parts of electroplating machinery	10,986	13,437
Provision of services - repairs, maintenance and modification	100,112	63,014
Total	<u><u>445,862</u></u>	<u><u>375,960</u></u>
Timing of revenue recognition		
A point in time	10,986	13,437
Over time	434,876	362,523
Total	<u><u>445,862</u></u>	<u><u>375,960</u></u>

Segment information

The Group is internally organised 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 and equity investments and generates interest and dividend revenue. These are operating and reportable segments for the purpose of resources allocation and performance assessment.

Segment revenue and results

	<u>Segment revenue</u>		<u>Segment results</u>	
	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Electroplating equipment	445,862	375,960	42,443	29,634
Property investment	14,448	13,174	(99,678)	(61,537)
Treasury management	28,542	29,978	69,399	40,819
Total segment revenue/results	<u><u>488,852</u></u>	<u><u>419,112</u></u>	<u><u>12,164</u></u>	<u><u>8,916</u></u>
Central corporate expenses			(21,113)	(21,137)
Loss before taxation			<u><u>(8,949)</u></u>	<u><u>(12,221)</u></u>

5. OTHER GAINS AND LOSSES

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Net change in fair value of investments at FVTPL	29,323	23,464
Net exchange gain (loss)	8,498	(11,471)
Loss on disposal of property, plant and equipment	-	(104)
Loss on disposal of investment in debt securities	(641)	-
Impairment of property, plant and equipment	(2,712)	(6,222)
Gain on deregistration of a subsidiary	1,125	-
Others	(57)	(4)
	<u>35,536</u>	<u>5,663</u>

6. FINANCE COSTS

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Interest on lease liabilities	93	191
Interest on bank borrowings	919	1,279
	<u>1,012</u>	<u>1,470</u>

7. TAXATION

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Hong Kong Profit Tax	305	105
Taxation outside Hong Kong	1,309	1,024
Overprovision in prior years	-	(3,910)
	<u>1,614</u>	<u>(2,781)</u>
Deferred tax charge	2,947	4,215
	<u>4,561</u>	<u>1,434</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 FOR THE YEAR

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Loss 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)	236,005	210,503
Direct outgoings for investment properties	2,658	2,503
Depreciation of property, plant and equipment	6,627	6,186
Depreciation of right-of-use assets	122	71
Staff costs:		
Directors' fee	300	300
Directors' salaries and other benefits	15,156	14,178
Salaries and allowances	92,221	90,629
Contributions to retirement benefits schemes	1,486	1,469
	109,163	106,576
Impairment losses (reversals of impairment losses) for financial assets and contract assets, net:		
- Trade debtors	576	1,059
- Contract assets	(1,591)	(3,976)
- Loans receivable	198	258
- Investments in debt instruments	-	2,253
- Deferred Consideration	5,567	(1,277)
	4,750	(1,683)
Interest income from financial assets at amortised cost (included in other income):		
- Loans receivable	(1,651)	(2,391)
- Deferred Consideration	(17,356)	(14,783)
- Bank deposits	(6,399)	(3,974)
	(25,406)	(21,148)
Government grants (included in other income)	(17)	(16)
	(17)	(16)

Note i: Amount includes reversal of allowance for slow moving inventories of HK\$1,120,000 (2024: allowance for slow moving inventories of HK\$1,716,000).

9. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss for the year attributable to owners of the Company	(13,410)	(14,100)
Number of ordinary shares	382,132,221	383,096,159

No diluted loss 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 31 December 2025 and 2024, the aggregate outstanding instalment payments amounted to RMB963,143,000 has been defaulted.

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\$17,356,000 (2024: HK\$14,783,000) is recognised by applying the effective interest rate to the amortised cost of the Deferred Consideration.

Considering the credit quality and industry in which the Counterparty operates, the measurement of ECL considers only the amount and timing of cash flows that are expected from the foreclosure on the collaterals. As at 31 December 2025 and 2024, the outstanding amount of Deferred Consideration is secured by (i) the first charge of certain residential properties situated in Hong Kong owned by the Counterparty (which has been realised subsequent to 31 December 2025) and (ii) the Repayment Obligations. ECL of HK\$5,567,000 (2024: reversal for ECL of HK\$1,277,000) recognised for the year ended 31 December 2025 is mainly explained by the changes in the expected cash flows from the foreclosure of the collaterals.

As at 31 December 2025, the Deferred Consideration amounting to HK\$90,064,000 (2024: HK\$102,300,000) is expected to be recovered after more than one year and accordingly is classified as non-current assets. The remaining amount is classified as current assets.

11. LOANS RECEIVABLE

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

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Repayable within one year	17,070	9,982
Repayable after one year	19,000	31,672
Less: Impairment losses under ECL model	(3,191)	(9,866)
	<u>32,879</u>	<u>31,788</u>
Analysed for reporting purposes as:		
Current	15,457	-
Non-current	17,422	31,788
	<u>32,879</u>	<u>31,788</u>

As at 31 December 2025, the loan receivables carry annual interest ranging from 5% to 5.25% (2024: ranging from 5.25% to 8.875%) and contractually mature by July 2026 to March 2029 (2024: December 2025 to March 2029). Other than the loan receivables amounting to HK\$5,000,000 (2024: nil) which are unsecured, the remaining loan receivables were secured by mortgages of properties owned by the borrower, and cash security of HK\$1,000,000 (which is included in "other payables" as at 31 December 2025 and 2024).

12. DEBTORS AND PREPAYMENTS

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade debtors from contracts with customers	77,012	52,840
Less: Allowance for credit losses	(3,320)	(2,744)
	<u>73,692</u>	<u>50,096</u>
Rental and management fee receivable	9,642	5,193
Rental and utilities deposits	1,341	1,527
Deposits paid for purchases of raw materials	21,667	13,650
Deposits paid for subcontracting costs	161	1,487
Account balance placed with a broker	6,189	2,835
Interest receivable	4,629	4,822
Prepayment for renovation of properties	3,951	270
Other tax receivables	2,286	345
Other debtors and prepayments	5,779	5,923
	<u>129,337</u>	<u>86,148</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>2025</u> HK\$'000	<u>2024</u> HK\$'000
0 - 60 days	71,472	47,485
61 - 120 days	380	584
121 - 180 days	126	410
Over 180 days	1,714	1,617
	<u>73,692</u>	<u>50,096</u>

13. CREDITORS AND ACCRUED CHARGES

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade creditors	80,002	63,092
Accrued staff costs	17,230	18,178
Commission payables to sales agents	12,640	7,368
Provision for performance related incentive payments	-	10,072
Rental deposits received	2,435	1,757
Other creditors and accrued charges for operating costs	27,230	23,623
	<u>139,537</u>	<u>124,090</u>

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

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
0 - 60 days	27,812	35,737
61 - 120 days	20,143	7,789
121 - 180 days	12,408	5,240
Over 180 days	19,639	14,326
	<u>80,002</u>	<u>63,092</u>

The average credit period on purchase of goods is 60 - 180 days (2024: 60 - 180 days).

Chairman’s Statement and Management Discussions

FINANCIAL RESULTS

During the year ended 31 December 2025 (“the Period Under Review”), the Group recorded loss attributable to owners of the Company of approximately HK\$13,410,000 compared to the loss attributable to owners of the Company of approximately HK\$14,100,000 for the year ended 31 December 2024 (“the Previous Period”). The decrease in the Group’s loss attributable to owners of the Company was mainly due to the off-setting effect of (i) increase in revenue from contracts with customers; (ii) increase in other gains and losses and (iii) increase in loss on change in fair value of investment properties.

The basic loss per share for the Period Under Review was HK\$0.04 compared to the basic loss per share of HK\$0.04 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\$445,862,000 or 18.6% more than the Previous Period.

In terms of business segment, approximately 76.4% of the revenue was generated from PCB sector (the Previous Period: approximately 70.5%), and approximately 23.6% came from surface finishing sector (the Previous Period: approximately 29.5%).

In terms of the machines geographical installation base, the revenue composition during the Period Under Review was 46.9% machine values were installed in PRC (the Previous Period: 28.7%), 10.3% in France (the Previous Period: 0%), 7.9% in the USA (the Previous Period: 12.0%), 7.6% in Taiwan (the Previous Period: 2.8%), 7.3% in Israel (the Previous Period: 0%), 6.4% in Thailand (the Previous Period: 1.9%), 5.5% in the Netherlands (the Previous Period: 0%), 3.5% in Mexico (the Previous Period: 7.2%), 0.8% in South Korea (the Previous Period: 18.4%), 1.7% in the UK (the Previous Period: 12.9%), and 2.1% in rest of the world (the Previous Period: 16.1%).

(b) Rental income

Rental income generated by the properties held by the Group during the Period Under Review was approximately HK\$14,448,000 (the Previous Period: HK\$13,174,000).

(c) Interest income

Interest income from investments in debt instruments was approximately HK\$15,370,000 (the Previous Period: HK\$17,961,000).

(d) Dividend income

Dividend income received from investments in Hong Kong listed securities was approximately HK\$13,172,000 (the Previous Period: HK\$12,017,000).

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\$29,323,000 (the Previous Period: gain of HK\$23,464,000), (b) net exchange gain of approximately HK\$8,498,000 (the Previous Period: loss of HK\$11,471,000) and (c) impairment of property, plant and equipment of approximately HK\$2,712,000 (the Previous Period: HK\$6,222,000).

- (a) Net change in realized and unrealized fair value gain of investments at FVTPL of approximately HK\$29,323,000 (the Previous Period: gain of HK\$23,464,000)

All investments at FVTPL were recorded at fair value as at 31 December 2025 and represented listed securities in Hong Kong. The gain of approximately HK\$29,323,000 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 2025:

Company Name / Stock Code	% of Shareholding as at 31 December 2025	Fair value change HK\$'000	Fair value as at 31 December 2025 HK\$'000	% of Total Assets of the Group as at 31 December 2025	Fair value as at 31 December 2024 HK\$'000	% of Total Assets of the Group as at 31 December 2024
Shanghai Industrial Urban Development Group Ltd. (563)	0.40%	(961)	6,151	0.30%	7,112	0.35%
Q P Group Holdings Ltd. (1412)	3.19%	7,978	26,989	1.33%	19,011	0.95%
Hysan Development Company Ltd. (14)	0.07%	5,366	14,364	0.71%	8,998	0.45%
SenseTime Group Inc. (20)	0.01%	2,726	8,448	0.41%	5,722	0.29%
China Mobile Ltd. (941)	0.01%	10,200	163,400	8.03%	153,200	7.63%
China Construction Bank Corporation (939)	0.00%	1,210	7,690	0.38%	6,480	0.32%
Agricultural Bank of China Ltd. (1288)	0.00%	1,350	5,780	0.28%	4,430	0.22%
Others		1,454	6,476	0.32%	5,022	0.25%
Total		<u>29,323</u>	<u>239,298</u>	<u>11.76%</u>	<u>209,975</u>	<u>10.46%</u>

- (b) Net exchange gain of approximately HK\$8,498,000 (the Previous Period: loss of HK\$11,471,000)

The net exchange gain was mainly due to the exchange gain 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 appreciated by approximately 2.53%.

- (c) Impairment of property, plant and equipment of approximately HK\$2,712,000 (the Previous Period: HK\$6,222,000)

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 last few years, the Group has engaged an independent valuer to assess the fair value over certain property. Based on such valuation, an impairment of approximately HK\$2,712,000 was made.

3. Other income

This mainly represented (a) interest income from loans receivable and deposit placed with a broker of approximately HK\$1,651,000 (the Previous Period: HK\$2,391,000), (b) imputed interest income on Deferred Consideration of approximately HK\$17,356,000 (the Previous Period: HK\$14,783,000) and (c) interest income from bank deposits was approximately HK\$6,399,000 (the Previous Period: HK\$3,974,000).

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

This represented (i) interest income arising from loans receivable of approximately HK\$1,644,000 (the Previous Period: HK\$2,360,000) and (ii) interest received from deposit placed with a broker of approximately HK\$7,000 (the Previous Period: HK\$31,000).

- i) Interest arising from loans receivable

During the Period Under Review, the Group has received loan interest income of approximately HK\$1,644,000 from loan receivables (the Previous Period: HK\$2,360,000).

Details of loan receivables are further disclosed below.

- ii) Interest received from deposit placed with a broker

Interest income from deposit placed with KTFG as a broker was approximately HK\$7,000 (the Previous Period: HK\$31,000).

- (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\$17,356,000 (the Previous Period: HK\$14,783,000).

- (c) Interest income from bank deposits

Interest income from bank deposits was approximately HK\$6,399,000 (the Previous Period: HK\$3,974,000).

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 14.9% higher than the Previous Period. It was primarily due to more sales activities and increase in personnel related cost.

5. Administrative expenses

The administrative expenses for the Period Under Review was 0.7% lower than the Previous Period. The decrease was mainly due to decrease in day-to-day administrative expenses.

As a benchmark, the average inflation rates in China and Hong Kong for 2025 were 0.0%¹ and 1.4%² respectively.

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	
	2025 HK\$'000	2024 HK\$'000
Trade debtors	(576)	(1,059)
Contract assets	1,591	3,976
Loans receivable	(198)	(258)
Investments in debt instruments	-	(2,253)
Deferred Consideration	(5,567)	1,277
	(4,750)	1,683

The Group recognized an impairment losses of approximately HK\$5,567,000 (the Previous Period: reversal of impairment losses of HK\$1,277,000) 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 2025, the Group held titles of (i) certain retail shops and offices located at Shenzhen, the 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.

The fair value of the Investment Properties was appraised by an independent valuer who has adopted market approach. The value is primarily measured by the recent sales of similar properties in the surrounding area. Adjustments are considered to reflect the differences in various aspects including size, location, time, age and any other relevant factors when comparing such sales against the subject properties.

During the Period Under Review, the Group incurred loss on change in fair value of investment properties of approximately HK\$114,128,000 (the Previous Period: HK\$78,054,000). This amount represented the difference between the fair value of investment properties as at 31 December 2024 and 31 December 2025 as calculated by an independent valuer.

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.

8. Finance cost

This represented mainly (a) the interest expenses on lease liabilities of approximately HK\$93,000 (the Previous Period: HK\$191,000) and (b) interest on bank borrowings of approximately HK\$919,000 (the Previous Period: HK\$1,279,000).

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\$2,947,000 (the Previous Period: HK\$4,015,000) associated with Deferred Consideration and reversed tax overprovision in prior years of nil (the Previous Period: HK\$3,910,000).

The balance of approximately HK\$1,614,000 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 appreciation in RMB (of approximately HK\$18,718,000) and revaluation of Deferred Consideration and corresponding deferred tax liability (of approximately HK\$2,075,000). The currency translation reserve was increased at the same amount.

11. Investment properties

Investment properties held as at 31 December 2025 are as follows:-

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

The fair value of the underlying investment properties held as of 31 December 2025 was approximately HK\$587,873,000 (31 December 2024: HK\$689,387,000).

12. Deferred Consideration

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

13. Loans receivable

As at 31 December 2025, there are three loan receivables with outstanding amounts ranging from approximately HK\$5,000,000 to HK\$17,000,000. Interest rates charged are between 5% – 5.25%. Total loan receivables, before impairment review, were HK\$36 million under which HK\$31 million are secured loans against properties and cash in Hong Kong and HK\$5 million is unsecured.

On 16 October 2025, the Group entered into a loan facility agreement (“Loan Facility Agreement”) with Karl Thomson Financial Group Limited (“KTFG”). 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, are the directors of KTFG. Pursuant to the Loan Facility Agreement, the Group provides an unsecured revolving loan facility of HK\$17,000,000 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 two years commencing from the loan effective date and ending on 20 October 2027. Although Mr. Lam and Mr. Nam are directors of KTFG, neither of them is interested in any shares of KTFG or its holding companies. As such, KTFG is not a connected person of the Company under Chapter 14A.07 of Listing Rules.

To the best of the Director’s knowledge, information and belief having made all reasonable enquiry, except for the Loan Facility Agreement, all other borrowers are independent third parties.

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

	As at 31/12/2025 HK\$’000	As at 31/12/2024 HK\$’000
Principal outstanding repayable within one year	17,070	9,982
Principal outstanding repayable after one year	19,000	31,672
Less impairment loss allowance	(3,191)	(9,866)
Net carrying amount	32,879	31,788
Analysed for reporting purpose as:		
Current	15,457	-
Non-current	17,422	31,788
	32,879	31,788

Loan receivables, being one of the financial assets held by the Group, are subject to impairment review at each reporting date under HKFRS 9. When determining the impairment percentage, the Company will make reference to the default rates research report issued by Moody. The impairment losses made as of 31 December 2025 was approximately HK\$3,191,000 which on average was 8.8% to the outstanding loan amount.

The Company is always in the process of identifying suitable investments opportunity with steady income stream to pursue for the surplus cash resource on hand. Currently, the prevailing interest rate offered by The Hongkong and Shanghai Banking Corporation Limited for a 12 months a Hong Kong dollar fixed deposit savings is only 2.1% per annum. Loans granted to the three borrowers can generate an interest rate at 5% or above. By granting the loans to the borrowers, the Company could enhance the return on investment of its surplus cash resources.

The Company seeks to maintain a low-risk appetite and a balance between risk and return in a rational, stable and prudent manner. The Lender does not carry out large scale promotions and will not provide loan through the use of any intermediaries. The Group is highly selective of clients and only lends to those clients with good reference. Prior to entering into any loan agreement, the Group will take into consideration whether the borrower has recurring income, available assets as securities and results of court debt search reports. During the Period Under Review, there was no write-off of any loan receivables.

14. Investments in debt instruments

Investments in debt instruments made by the Group as of 31 December 2025 are set out below:

No	Issuer	Bond currency	Coupon rate	Maturity date	Investment cost as at 31/12/2025 HKD'000	Bond credit rating S&P's	Bond credit rating Moody's	% to Group's total assets (note)
A) Bonds								
1	Sun Hung Kai Properties Capital Market Ltd	RMB	3.20%	14/8/2027	5,280	NR	NR	0.3%
2	China Education Group	RMB	4.00%	19/4/2026	2,201	AA	NR	0.1%
3	Shanghai Commercial Bank Ltd	RMB	6.38%	28/2/2033	1,929	NR	A1	0.1%
4	HSBC Holdings PLC	USD	8.00%	Perpetual	1,552	NR	NR	0.1%
5	Bank of East Asia Ltd	USD	6.75%	15/3/2027	19,366	A	A3	1.0%
6	Bank of East Asia Ltd	USD	6.75%	15/3/2027	5,810	A	A3	0.3%
7	HSBC Holdings PLC	USD	5.89%	14/8/2027	78,667	NR	A3	3.9%
8	Bank of East Asia Ltd	USD	6.63%	13/3/2027	31,375	BBB	Baa2	1.5%
9	CLP Power HK Financing Ltd	USD	2.13%	30/6/2030	20,840	NR	A1	1.0%
10	HK Mortgage Corp Ltd	USD	4.13%	18/10/2027	1,549	AA+	Aa3	0.1%
11	Swire Properties MTN Fin Ltd	USD	3.50%	10/1/2028	7,510	NR	A2	0.4%
12	CK Hutchison Int'l (24) (II) Ltd	USD	4.38%	13/3/2030	15,306	A	A2	0.8%
13	US Treasury	USD	4.38%	31/12/2029	27,080	AA+	Aaa	1.3%
	Subtotal				<u>218,465</u>			
B) Certificate of deposits								
1	China Construction Bank, Macau Branch	RMB	1.30%	8/4/2026	32,986	A	A1	1.6%
2	DBS Ltd	USD	3.92%	2/2/2026	12,400	AA-	Aa1	0.6%
	Subtotal				<u>45,386</u>			
	Total investment cost				<u>263,851</u>			

Note: None of these investments represented more than 5% of the Group's total assets as at 31 December 2025.

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

	As at 31/12/2025 HK\$'000	As at 31/12/2024 HK\$'000
Investment cost	263,851	419,623
Less impairment loss allowance	-	(4,181)
Net carrying amount	263,851	415,442
Analysed for reporting purpose as:		
Current	47,587	216,789
Non-current	216,264	198,653
	263,851	415,442

The acquisition of the bonds and/or certificate of deposits forms part of the Group's ordinary course of treasury activities in managing its financial assets. The bonds and/or certificate of deposits 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 2025, the Group held 20 listed equity securities in Hong Kong with the fair value of approximately HK\$239.3 million.

Company Name / Stock Code	Note	Investment Cost HK\$'000	Fair value as at 31 December 2025 HK\$'000	% as compared to the Group's total assets as at 31 December 2025	Dividend received HK\$'000	Fair value change HK\$'000	Fair value as at 31 December 2024 HK\$'000
China Mobile Ltd. (941)	(a)	102,739	163,400	8.03%	9,432	10,200	153,200
Others	(b)	111,000	75,898	3.73%	3,740	19,123	56,775
Total		213,739	239,298	11.76%	13,172	29,323	209,975

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 2025, 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 8.03% of the Group's total assets. During the year, the fair value change of approximately HK\$10,200,000 represented unrealised fair value gain of approximately HK\$10,200,000. The Group received a dividend of approximately HK\$9,432,000 during the Period Under Review. China Mobile's revenue has grown steadily from approximately RMB848 billion in year 2021 to RMB1,050 billion in year 2025. 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 75% in year 2025. 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 2025.

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 2025 was approximately HK\$139,537,000 which was approximately HK\$15,447,000 higher than the Previous Period. Please refer to note 13 of the financial information of this result announcement for more details. The increase was mainly due to the off-setting effect of (a) increase in trade creditors by approximately HK\$16,910,000 (b) decrease in provision for performance related incentive payments payable by approximately HK\$10,072,000 and (c) increase in commission payables to sales agents of HK\$5,272,000.

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\$29,214,000 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\$211,209,000 in Previous Period to HK\$255,828,000, representing 21.1% rise. Out of this total revenue, from the perspective of installation location, nearly 54.6% were shipments made to PRC (22.7% in Previous Period), 11.8% were shipments made to Israel (nil in Previous Period) and 11.1% were shipments made to the Thailand (3.3 % in Previous Period).

Global PCB market was rebound with 12.8% year-to-year growth in 2025, according to Prismark. Historically, two main markets driving our revenue in PCB sector are PCBs used in smartphone and car. While smartphone market maintained a steady growth, the uptick in year 2025 was due to the rising demand for PCBs used in AI servers, high-speed networking and automotive electronics.

According to a preliminary report released by IDC, worldwide smartphone shipments increased by 2.3% year over year in the fourth quarter of 2025 at shipment volume of approximately 336.3 million units. On an annual basis, worldwide shipments recorded a growth of 1.9%.

Top 5 Smartphone Companies, Worldwide Shipments, Market Share, and Year-Over-Year Growth, Q4 2025 and full year (shipments in millions of units)					
Company	4Q 2025 Shipment Volumes	4Q 2025 Market Share	2025 Shipment Volumes	2024 Shipment Volumes	Year-Over-Year Change
Apple	81.3	24.2%	247.8	232.1	+6.3%
Samsung	61.2	18.2%	241.2	223.5	+7.9%
Xiaomi	37.8	11.2%	165.3	168.4	-1.9%
Vivo	27.0	8.0%	103.9	101.2	+2.7%
Oppo	26.9	8.0%	102.0	104.8	-2.7%
Others	102.1	30.4%	400.0	405.2	-1.3%
Total	336.3	100.0%	1,260.3	1,236.3	1.9%
Due to rounding, some figures may not add up precisely to the totals shown					
Source: IDC Worldwide Quarterly Mobile Phone Tracker, January 13, 2026					

The rapid expansion of generative AI applications has boosted demand for AI servers and high-speed switches, both require the use of higher-layer count, high-density, and high-performance PCB. The more the layer, the more the electroplating process and hence, demand for electroplating equipment.

Strong growth segments identified for PCBs :

- AI servers: Many AI mainboards use hybrid architectures – a combination of 20–30 traditional multilayer core layers for power distribution and two to eight HDI layers for ultra-dense signal routing. That is why both multi-layer PCBs and HDI boards saw explosive demand.
- High-speed switches: Required ultra-high layer counts (38–48 layers), benefiting Taiwanese firms like Unimicron, Nan Ya PCB, Tripod, and Kinsus.
- Electric vehicles (EVs): PCB usage per car increased 3–5 times
- Low-orbit satellites & edge computing: Emerging applications boosted demand for high-frequency, high-speed PCBs.

Apart from the growing demand for multi-layer boards and HDI boards, in the carrier board sector, ABF carrier boards also benefited from strong demand for high-end AI chips, while BT carrier boards saw growth driven by a supercycle of simultaneous increases in supply and prices in the memory (RAM) market.

We expect the surging demand for PCBs will continue into year 2026.

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 10.6% from approximately HK\$88,300,000 in the Previous Period to approximately HK\$78,936,000 for the Period Under Review. Out of this total revenue, from the perspective of installation location, nearly 32.5% were shipments made to France (nil in Previous Period), 22.5% were shipments made to the USA (6.2% in Previous Period) and 19.4% were shipments made to Mexico (27.9% in Previous Period).

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

According to a press release released by ACEA, global new car registrations has slightly increased by 1.8% in 2025. However, overall volumes remain well below pre-pandemic levels.

Electroplating in the automotive industry has declined in recent years mainly due to stricter environmental regulations, sustainability pressures, and the rise of alternative coating technologies such as PVD (Physical Vapor Deposition), which offer better adaptability for modern EV designs and greener production processes.

We expect revenue of SF sector in 2026 will be similar to the current year.

Outlook

More companies are turning to AI to reduce costs, improve accuracy, and accelerate workflows. The statistics show just how deeply AI has penetrated business operations—across industries and organization sizes. The growing usage of AI will benefit our electroplating equipment business. Based on our orders on hands, we expect to see a growth in revenue in next year. However, geoeconomic confrontation, interstate conflict and extreme weather may emerge as downside risks to the expected revenue growth.

BUSINESS REVIEW ON PROPERTY INVESTMENT SEGMENT

Investment properties held as at 31 December 2025 :-

City	Property type	GFA (sq.m)	Occupancy rate at 31 December 2025 (%)	Occupancy rate at 31 December 2024 (%)
Shenzhen	Retail shops	3,493	19.0%	70.7%
Shenzhen	Office	12,720	55.7%	49.8%
Hong Kong	Office	1,788	100%	84.2%
Hong Kong	Car parks	NA	100%	83.3%

The occupancy rate is calculated based on lease agreements entered and are still subsisting on or before 31 December 2025.

The occupancy rates for retail shops located in Shenzhen has dropped significantly. Online shopping in China has significantly dampened the traditional retail rental market by reducing demand for physical store space, leading to falling rents and rising vacancy rates in shopping malls.

During the Period Under Review, the Group has recorded rental income of approximately HK\$14,448,000 (the Previous Period: HK\$13,174,000). The fair value of the underlying investment properties held as of 31 December 2025 was approximately HK\$587,873,000 (31 December 2024 : HK\$689,387,000).

For the Period Under Review, the Group has recorded a loss on change in fair value of investment properties for approximately HK\$114.1 million, under which approximately HK\$84.7 million was attributable to the investment properties located in China and approximately HK\$29.4 million was attributable to the investment properties located in Hong Kong.

The market value of Shenzhen offices dropped quite significantly in 2025 mainly due to oversupply, persistently high vacancy rates (around 25–30%), and downward rental pressure caused by weak demand and cautious investment sentiment. Despite modest GDP growth, real estate investment contracted sharply, leaving landlords competing aggressively on rents.

In 2025, Hong Kong's office market is experiencing a slow recovery, with prime office demand in Central picking up while overall vacancies remain high due to significant new supply. High supply—roughly 3.5 million sq. ft. in 2025—continues to drive up total vacancy, which surpassed 17% in late 2025. Overall rents are facing continued downward pressure, though some prime buildings in Central are showing signs of stabilization, with some even recording rent increases.

Looking ahead, Shenzhen's office market is expected to remain under pressure, with vacancy rates hovering near 30%. The Group may have to offer incentives and / or rent cuts to drive absorption. On the other hands, Hong Kong is entering a measured recovery phase, with rents stabilizing.

TREASURY MANAGEMENT

Treasury management refers to investments in various financial assets, including but not limited to, debt instrument, listed stock and deposit products.

Investment policies and objectives

The acquisition of the bonds or debt instruments forms part of the Group's ordinary course of treasury activities in managing its financial assets. The bonds or debt instruments 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.

Risk management and control measures

1. Concentration risk

Concentration risk is the potential for significant losses in a portfolio due to an over-reliance on a single asset, sector, or market. The Group has a policy that investment in one single investee company (or investee group) will not exceed 20% or more of the Group's total assets and investment in one sector or market will not exceed 50% of the Group's total assets. As the market is ever changing, if there is a need to change these thresholds in the future, a board meeting will be convened to consider the then market situation and financial positions of the Group. Disclosure shall be made in its periodic financial reports.

2. Counterparty risk or Issuer's risk

Issuer risk is the specific risk that an issuer of a debt security (such as a bond or a certificate of deposit) will default on its payment obligations. At time of investment, the Group will consider the credit rating of the issuer or the financial product itself. When such issuer does not have any credit rating, the Group will evaluate their years of establishment, cash generating capabilities or whether there is any corporate guarantee offered by its parent company. Normally, only investee company (or investee group) with at least more than 10 years of establishment history and its financial statement (or the financial statement of the guarantor) demonstrates positive cash generating capabilities will be considered.

3. Liquidity risk

To avoid the risk that the Group cannot meet its short-term financial obligations when they are due, the Group will continuously:

- monitoring its cash flows by performing cashflow forecast,
- managing cash reserves by ensuring enough liquid assets are on hands and
- maintaining access to funding by establishing facilities with banks.

4. Permissible and prohibited investments

The Group will only invest in financial products which are regulated or issued by licensed financial institutes. Preference will be given to financial product which has a ready secondary market which will allow the Group to dispose such financial products when necessary. Prohibited investments include financial products which are not regulated or the underlying assets are located in sanctioned jurisdictions.

Approval oversight and mechanism

As disclosed in its 2024 Interim Report, with the growing revenue contribution from property investment, investment in debts instrument and listed shares, the Board has decided to report its business activities in three segments starting from year 2024. They are electroplating equipment, property investment and treasury management. An investment committee was established in April 2024 to review the Group's investments on regular basis.

1. Board

The Board holds the ultimate authority over investment decisions for the Group as a whole. It has delegated certain powers to Investment Committee.

2. Investment committee

The terms of reference of the Investment Committee are available on the websites of the Company and the Stock Exchange. The principal functions of the Investment Committee include:

- To review and recommend investment strategies, risk appetite and capital allocations to the Board
- To review, evaluate and approval investment in financial products as far as treasury management segment is concerned
- To assess and determine whether the investment is in the interests of the Company and the shareholders as a whole
- To monitor such investment activities by (a) reviewing reports on investment portfolio, (b) making reference to and reviewing the appropriateness of benchmarks and (c) reviewing the Group's liquidity and funding arrangements

The approval limit of Investment Committee is limited to major transactions as defined in Listing Rules and must not be a connected transaction. If the size of the investment exceeds the size tests of a major transaction, approval must be obtained from the Board before proceeding.

The Investment Committee will meet twice a year.

3. Finance Department

The responsibilities of the Finance Department are more on daily operations and will be :-

- To short-list relevant products for members of investment committee to consider. based on the investment strategies and risk appetite set out by the Investment Committee
- To oversee the execution of acquisition when a financial product is selected by members of investment committee
- To maintain and update the investment portfolio file
- To prepare cashflow forecast
- To prepare the review reports for investment committee meetings
- To set up and maintain banking facilities
- To pass relevant information to company secretarial team before the transaction

4. Company Secretarial Team

The Company Secretarial Team is mainly responsible for compliance issues. They are responsible for calculating size tests, making relevant disclosure announcement and submitting relevant forms to Stock Exchange in accordance with Listing Rules. If the transaction size falls outside the authority of Investment Committee, a board meeting will be convened to obtain necessary approval for the transaction before proceeding.

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 2025, the fair value of the investments in listed shares was approximately HK\$239,298,000 (31 December 2024 : HK\$209,975,000). During the Period Under Review, the Group has received dividend income of approximately HK\$13,172,000 (31 December 2024 : 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 2025, the carrying value of the investments in debt instruments was approximately HK\$263,851,000 (31 December 2024 : HK\$415,442,000). During the Period Under Review, the Group has received interest income of approximately HK\$15,370,000 (31 December 2024 : HK\$17,961,000) from such investments.

The Group is holding a diversified debt instruments and most of them are investment grade bonds with a relatively low default risk. The bonds or certificate of deposits 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.

As at 31 December 2025, the fixed time deposits was approximately HK\$358,616,000 (31 December 2024: HK\$96,618,000).

Global growth is uneven, with current geopolitical tensions and trade policy shifts, the Group tends to hold more liquid assets and takes on a more prudent approach towards investments in treasury products.

MATERIAL ACQUISITION AND DISPOSAL

Material acquisitions of assets

Reference is made to the announcements of the Company dated 9 January 2025, 10 April 2025 and 8 July 2025 in relation to the acquisition of deposit products and bonds. Holdings as at 31 December 2025 were disclosed in the sections “Investments in debt instruments” and “Investments at FVTPL” above.

Apart from disclosure as above, the Group has not entered any material transaction during the Period Under Review.

EVENT AFTER THE REPORTING PERIOD

During the period from 2 January 2026 to 19 January 2026, the Company has repurchased a total of 1,450,000 ordinary shares in the open market at an average cost of HK\$0.974 per share. Such shares repurchased for cancellation have not been cancelled as of the date of this announcement.

CONTROLLING SHAREHOLDER’S INTERESTS IN CONTRACTS OF SIGNIFICANCE

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.

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 or certificate of deposits forms part of the Group’s ordinary course of treasury activities in managing its financial assets. The bonds or certificate of deposits 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 2025, the Group had equity attributable to owners of the Company of approximately HK\$1,406,496,000 (31 December 2024: HK\$1,412,690,000). The gearing ratio was 2.1% (31 December 2024: 2.6%). 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 2025, the Group had approximately HK\$552,105,000 of cash on hand (31 December 2024: HK\$344,596,000).

As at 31 December 2025, the Group pledged deposits of nil (31 December 2024: HK\$7,038,000) 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\$139,443,000 (31 December 2024: HK\$102,300,000). Out of the facilities available, the Group has utilized nil 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 2025 (31 December 2024: HK\$7,038,000).

As at 31 December 2025, banking facilities available to the Group for wealth management and investment purpose is HK\$891,800,000 (31 December 2024: HK\$931,800,000). The Group has utilized nil for the bank borrowings (31 December 2024: HK\$6,328,000).

As at 31 December 2025, banking facilities available to and utilized by the Group for investment properties is approximately HK\$28,851,000 (31 December 2024: HK\$30,312,000). 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 appreciated for 2.53% which has brought a positive 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 2025, the Company had guarantees of approximately HK\$996,600,000 (31 December 2024: 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\$28,851,000 (31 December 2024: HK\$43,678,000).

Pledge of Assets

As at 31 December 2025, certain investment properties in Hong Kong (31 December 2024: certain investment properties in Hong Kong) held by the Group were pledged to a licensed bank in Hong Kong for a mortgage loan.

Capital Commitment

As at 31 December 2025, the Group did not have any significant capital commitment (31 December 2024: nil).

Employee and Remuneration Policies

As at 31 December 2025, the Group employs a total of 331 employees (31 December 2024: 327), including 12 employees (31 December 2024: 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 share option scheme adopted by the Company on 12 June 2015 was expired at the close of business on 12 June 2025. 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 (2024: 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 20 July 2026 to shareholders whose names appear on the Register of Members of the Company on 7 July 2026.

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 2025 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 without rotation 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 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. 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 26 June 2025 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 2025, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31 December 2024 and the interim results of the Group for the 6 months ended 30 June 2025, 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 2025 was reviewed by the Audit Committee before publication.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) is composed of four Directors, namely Mr. Nam Kwok Lun, Mr. Cheung Kin Wai, Mr. Ng Chi Kin David and Mr. Hong Hui Lung. The Remuneration Committee has adopted a revised term of reference which is effective 26 June 2025 and describes the authority and duties of the Committee, as quoted under code provision E.1.2 of the CG Code. 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 and is composed of five Directors, namely Mr. Lam Kwok Hing, Ms. Yung Wai Ching, Mr. Cheung Kin Wai, Mr. Ng Chi Kin David and Mr. Hong Hui Lung. The Nomination Committee has adopted a revised term of reference which is effective 26 June 2025 and describes the authority and duties of the Committee, as quoted under code provision B.3.1 of the CG Code. 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 individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorship.

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 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from 8 April 2025 to 21 May 2025, the Company has repurchased a total of 700,000 ordinary shares in the open market at an average cost of HK\$0.842 per share. Such shares were cancelled on 17 June 2025.

During the period from 12 December 2025 to 31 December 2025, the Company has repurchased a total of 1,750,000 ordinary shares in the open market at an average cost of HK\$0.940 per share. Such shares repurchased for cancellation have not been cancelled as at 31 December 2025.

Saved as disclosed above, 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 2025.

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 2025 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 26 March 2026. 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 18 June 2026 (Thu)
- Closure of Register of Members 22 June 2026 (Mon) to 26 June 2026 (Fri) (both dates inclusive)
- Record date 26 June 2026 (Fri)

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

- Ex-dividend date 30 June 2026 (Tue)
- Latest time to lodge all transfer documents for registration with Company's registrar At 4:30 p.m. on 2 July 2026 (Fri)
- Closure of Register of Members 3 July 2026 (Fri) to 7 July 2026 (Tue) (both dates inclusive)
- Record date 7 July 2026 (Tue)
- Payment of dividend 20 July 2026 (Mon)

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 Services 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 Friday, 26 June 2026. 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 2025 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 MH, JP
Chairman and Managing Director

Hong Kong, 26 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. LAM Kwok Hing MH, JP, 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*