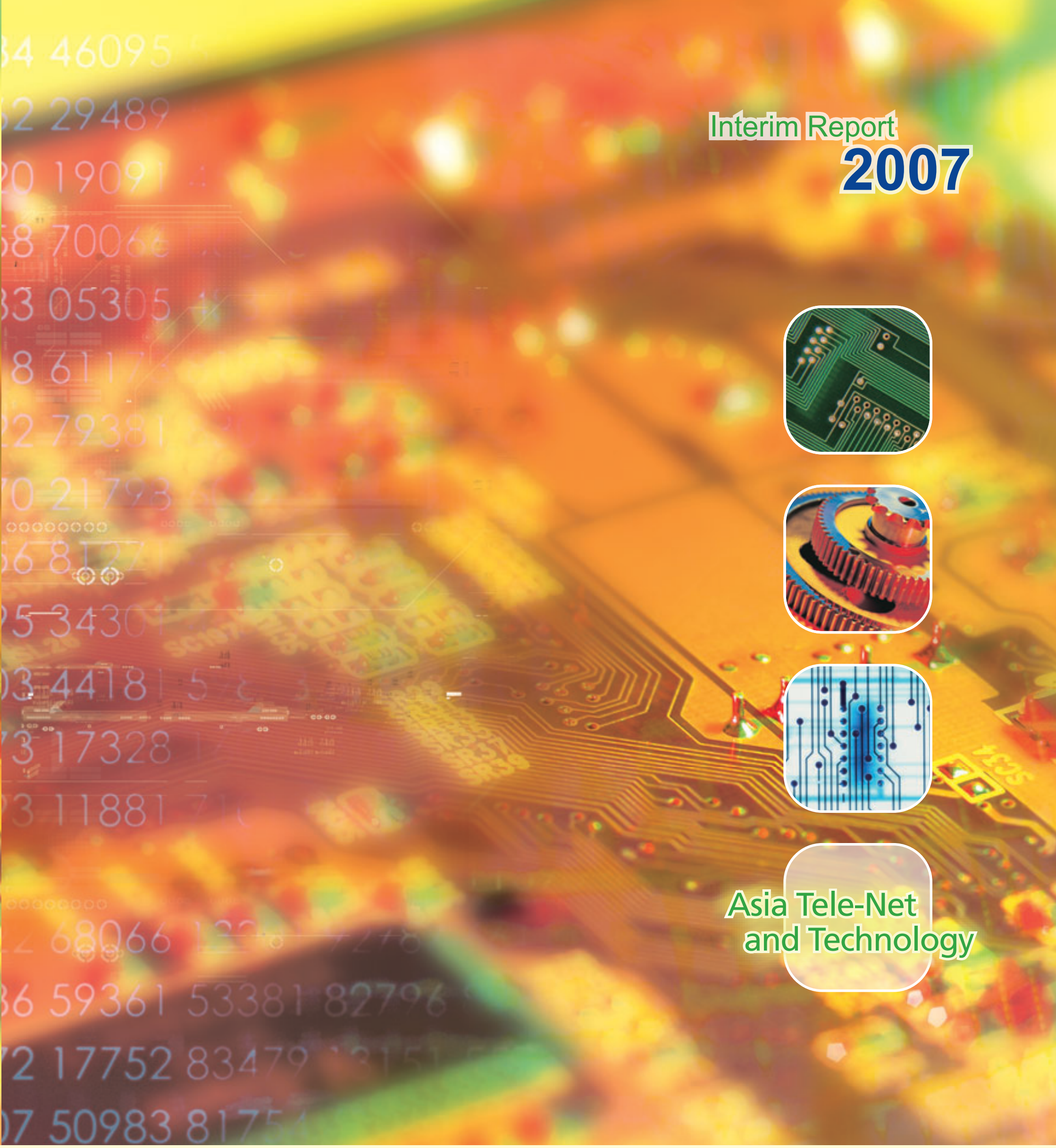

Interim Report 2007

Asia Tele-Net and Technology

亞洲聯網科技有限公司

Asia Tele-Net and Technology Corporation Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 0679)

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Chairman's Statement

Financial Results

The Group's unaudited consolidated turnover for the six months ended 30 June 2007 ("the Period Under Review") was approximately HK$233,133,000 representing a drop of 32.8% compared to the six months ended 30 June 2006 ("the Previous Period") which was HK$346,652,000. The operating net profit was approximately HK$10,439,000 for the Period Under Review compared to HK$24,381,000 for the Previous Period. The reduction in turnover and operating net profit is further explained in following sections.

The basic earnings per share for the Period Under Review was HK2.5 cents (the Previous Period: basic earnings per share HK5.8 cents).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2007 (the Previous Period: Nil).

Management Discussion and Analysis

Business Review

(A) PAL Group

Electroplating equipment – Printed Circuits Board ("PCB") sector

After a hectic and booming year of 2006 in which our revenue was 46.7% more than the revenue recorded in 2005, we inevitably experienced a slow down in orders in 2007. As usual, following a surge in capacity growth, our customers require some time to fill up their extra production capacity before considering any massive expansion plan again. In 2006, over 50% of the orders were from Taiwan, then Hong Kong and South East Asia 25% and followed by USA and Europe 12%. In first half of 2007, it is therefore not surprising to see a decrease in Taiwanese orders while an increase of orders in other regions. The distribution of revenue for the Period Under Review for PCB sector alone was 36% from South East Asia and China, 36% from Japan, 17% from Taiwan and 11% from USA.

We remain conservatively optimistic over the future outlook for two reasons. As witness by the market research done by NT information Ltd, the PCB market is still expected to have a moderate growth of 7-8% in 2007 and will remain growing in 2008 and 2009. See table below.

World PCB Production (US$ Million)

Region	2005	Growth %	2006	Growth %	2007	Growth %	2008	Growth %	2009	Growth %
Total America	4,692	0.0	4,718	0.6	4,373	-7.3	4,426	2.8	4,524	2.2
Total Europe	3,605	-7.9	3,547	-1.6	3,510	-7.0	3,586	2.2	3,622	1.0
Other Regions*	430	-0.1	437	2.1	461	5.5	468	3.5	482	3.0
Total Asia Pacific	33,675	11.2	38,957	18.0	42,972	10.6	47,891	12.4	51,503	11.5
World Total	42,402	4.8	47,659	14.5	51,316	7.7	56,371	9.8	60,131	6.7

(N.T. Information Ltd, August 28, 2007)

* *Other regions include Russia, Middle East, Africa, E. Europe not in EU*

Secondly, the trend of producing smaller and thinner products are seen everywhere in consumer electronic products including mobile phone, computer, camera and MP3 player. It shall mean a higher plating requirement in terms of plating finer tracks and smaller holes on a tiny PCB. Sophisticated electroplating equipment is therefore needed and of which PAL is well positioned to design and manufacture.

Electroplating equipment – Surface Finishing ("SF") sector

As reported in last annual report, we are pleased to see a bounced back of orders in SF sector in 2007. In 2004, sales to SF sector accounted for 13% of gross revenue, 28% for 2005, 6% for 2006 and 32% for first half of 2007. We expect on a yearly basis, the SF sector will account for about 25% of the gross revenue in 2007. Our customers who bought equipment from us make solar cell, sanitary parts and automobile parts. We are still on the road to broaden the industrial segments as well as deepening the segments we are already in.

Product development

In the coming TPCA to be held in Taiwan, we shall be ready to promote the Desmear/ PTH Continuous Vertical Equipment, the design of which is to encourage PCB shops who are presently using horizontal equipment to replace it with continuous vertical plater for improved quality and more economic operating cost.

Although there was a drop in revenue this year, we did not reduce any of our R&D resources. In fact, the Hong Kong R&D team has 9% increased in headcounts this year. We strongly believe that investment today will pay off in the future and is the only way to differentiate ourselves from other me-too equipment manufacturers.

Risk factors

The general risk factors we are facing are the material cost increase (mainly seen in metal parts), the currency appreciation in Reminbi and the ever-increasing labour cost. The currency appreciation in Reminbi will increase both our overhead, as we have two factories in China, and our material cost as we use more and more local materials. Unfortunately some of our customers are more budget driven and it is fairly difficult to pass on all cost increment to them. Although we have employed various methods trying to maintain a reasonable gross margin, we still faced a slip in gross margin in 2007.

(B) Businesses operated by major associated company

The contribution of the associated companies towards the operating profit for the Period Under Review was HK$9,000,000 which was 2.6 times more than the Previous Period. The contribution mainly came from Intech Machine Co Ltd (the "IML") which the Group holds approximately 28.4% for the Period Under Review. There are two key reasons for this remarkable result – the steady contribution from Flat Panel Display ("FPD") market and the relocation of production base from Taiwan to Suzhou for PCB sector has increased the gross margin by 5%.

(C) Outlook

Although the PCB Industry in 2007 appears to have reached something of a plateau in terms of capacity requirements, it is fully expected to continue its growth path in the coming months. PAL, with the advent of the new Vertical Continuous PTH equipment as well as the already well-accepted electroplating equipment, is positioned to take advantage of the next round of capacity increases.

The increase in SF equipment sales is expected to be maintained. This is an important factor in trying to smooth out the turnover volatility caused by the fluctuations in the PCB Industry.

Other types of equipment, such as reel-to-reel machines are also being investigated, in order to further reduce these fluctuations

Financial Review

Capital structure, liquidity and financial resources

As at 30 June 2007, the Group had net assets of approximately HK$279,952,000 (31 December 2006: HK$268,155,000). The gearing ratio was 48.4% (31 December 2006: 53.1%). The gearing ratio is calculated by dividing total liabilities of HK$268,428,000 (31 December 2006: HK$311,022,000) over total assets of HK$554,461,000 (31 December 2006: HK$585,247,000).

As at 30 June 2007, the Group had approximately HK$70,014,000 of cash on hand, net current assets value being approximately HK$135,635,000, short-term bank loan amounted to HK$34,193,000 and obligations under finance leases approximately HK$1,894,000. The total borrowing was therefore HK$36,087,000, a decrease of HK$1,212,000 from last year of HK$37,299,000.

As at 30 June 2007, the Group pledged a bank deposits of HK$7,000,000 (31 December 2006: HK$7,000,000) to a bank to secure banking facilities of approximately HK$116,800,000 (31 December 2006: HK$96,800,000) to the Company. Out of the secured facilities available, the Group has utilized approximately HK$34,112,000 as at 30 June 2007 (31 December 2006: HK$37,291,000).

Most of the bank borrowing is charged at prevailing prime rate in the countries where the Company's subsidiaries are operating in.

Most of the assets and liabilities in the Group were mainly dominated in US dollars, HK dollars and Renminbi. However, in view of the anticipated currency appreciation in Renminbi, there will be certain risk associated with the overhead cost for the factories in China.

Contingent Liabilities

As at 30 June 2007, the Company had guarantees of approximately HK$115,500,000 (31 December 2006: HK$90,500,000) to banks in respect of banking facilities granted to a subsidiary of the Company. The amount utilised by the subsidiary was approximately HK$34,112,000.

Employee and Remuneration Policies

As at 30 June 2007, the Group has approximately 900 employees. Employees are remunerated based on performance, experience and industry practice. Performance related bonus granted on discretionary basis. Other employee benefits included pension fund, insurance and medical cover.

Appreciation

On behalf of the Board, I would like to thank our customers, bankers, suppliers and friends for their continued confidence in and support for the Company. In particular, I would like to extend our warmest thank to our staff at all levels for working with our Management teams to achieve the present results.

By order of the Board
Lam Kwok Hing
Chairman

Hong Kong, 19 September 2007

Other Information

Directors' Interests in Shares

As at 30 June 2007, the interests of the directors and their associates in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by directors (the "Model Code") of listed companies, were as follows:

Long Positions in ordinary shares of HK$0.01 each of the Company

	Number of issued ordinary shares held			Percentage of the issued share
Name of director	**Personal interest**	**Corporate interest**	**Total**	**capital of the Company**
Mr. Lam Kwok Hing	3,474,667	250,516,500 (Note)	253,991,167	59.56%

Note: The amount composed of 48,520,666 and 201,995,834 shares of the Company that were held by Medusa Group Limited ("Medusa") and Karfun Investments Limited ("Karfun") respectively. Medusa is a company wholly owned by Mr. Lam Kwok Hing. Karfun is a wholly-owned subsidiary of Karl Thomson Holdings Limited, a company in which Mr. Lam Kwok Hing is a major shareholder.

Save as disclosed above, except for nominee shares in certain subsidiaries held in trust for the Company by certain directors, none of the directors, the chief executive or their associates had any interests or short positions in any shares of the Company or any of its associated corporations as at 30 June 2007.

Share Option Scheme

At the annual general meeting of the Company held on 13 June 2005, the shareholders of the Company approved the adoption of a new share option scheme (the "New Scheme") and the termination of the old share option scheme (the "Old Scheme") was adopted by the Company on 1 January 2001. The Old scheme was adopted by the Company on 1 January 2001 and remained in force for a period of ten years from the date of its adoption. Pursuant to the Old Scheme, the Company granted options on 30 August 2001 but all options have been lapsed before the termination of the Old Scheme and no option was outstanding under the Old Scheme.

The New Scheme is in line with the prevailing requirements of Chapter 17 of the Listing Rules in relation to share option schemes. The Company had no share options in issue under the New Scheme during the period and up to date of this report.

Substantial Shareholders

As at 30 June 2007, the following persons (other than the directors of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in the ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Karfun	Interest of controlled corporation	201,995,834	47.37%
Medusa	Interest of controlled corporation	48,520,666	11.38%

Please refer to the note under the section heading "Directors' Interests in Shares" above.

Save as disclosed above, as at 30 June 2007, no person (other than the directors of the Company whose interests are set out under the heading "Directors' Interests in Shares" above) had an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section of 336 of SFO.

Corporate Governance

The Company has complied with the Code of Corporate Governance Practices (the "GC Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2007, with deviations from code provisions A.2.1, A.4.1 and A.4.2 of the GC Code in respect of the separate roles of chairman and chief executive officer, service term and rotation of directors.

Under the code provision A.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Under the code provision A.4.1 and A.4.2 of the GC Code, (a) non-executive directors should be appointed for a specific term and subject to re-election; and (b) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least every three years.

Code Provision A.2.1

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

Code Provision A.4.1

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the GC Code. In accordance with the provisions of the Bye-laws of the Company, any director appointed by the Board during the year shall retire and submit themselves for re-election at the next following annual general meeting immediately following his/her appointment. Further, at each annual general meeting, one-third of the directors for the time being, or if their number is not three or multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. At such, all independent non-executive directors are in effect retired once every three years. With the current arrangement under the Bye-laws, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are similar to the GC Code. Nevertheless, the Company is planning to change the appointment of independent non-executive directors with a specific term with effect from 1 January 2008.

Code Provision A.4.2

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

Audit Committee

The Audit Committee comprises three independent non-executive directors, Mr. Cheung Kin Wai, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2007.

Model Code for Securities Transaction by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2007.

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 six months ended 30 June 2007.

Board of Directors

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

Condensed Consolidated Income Statement

For the six months ended 30 June 2007

	NOTES	Six months ended 30 June **2007** ***HK$'000*** **(unaudited)**	 2006 *HK$'000* (unaudited)
Revenue		**233,133**	346,652
Cost of sales		**(176,998)**	(239,474)
Gross profit		**56,135**	107,178
Other income		**4,442**	2,203
Distribution and selling costs		**(14,474)**	(38,845)
Administrative expenses		**(56,078)**	(53,823)
Other expenses		**(119)**	(1,239)
Allowance for bad and doubtful debts		**(5,896)**	(930)
Change in fair value of investments held for trading		**19,752**	11,002
Share of results of associates		**9,077**	3,397
Interest expenses		**(846)**	(608)
Impairment loss recognised in respect of goodwill		**(2,488)**	–
Impairment loss recognised in respect of investment in an associate		**–**	(696)
Profit before taxation		**9,505**	27,639
Taxation	4	**934**	(3,258)
Profit for the period	5	**10,439**	24,381
Attributable to:			
Equity holders of the parent		**10,570**	24,733
Minority interest		**(131)**	(352)
		10,439	24,381
Earnings per share	7		
Basic		**HK2.5 cents**	HK5.8 cents

Condensed Consolidated Balance Sheet

At 30 June 2007

	NOTES	**30.6.2007** **HK$'000** **(unaudited)**	31.12.2006 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	8	**85,800**	84,705
Prepaid lease payments		**12,774**	12,890
Goodwill		**–**	2,488
Interests in associates		**54,324**	47,375
Available-for-sale investments		**515**	515
Loans receivable	9	**1,010**	1,219
		154,423	149,192
Current assets			
Inventories		**53,798**	45,833
Retirement benefit assets		**13**	13
Amounts due from customers for contract work		**52,777**	30,503
Loans receivable	9	**4,280**	4,554
Debtors, deposits and prepayments	10	**186,044**	256,925
Prepaid lease payments		**244**	244
Investments held for trading		**25,833**	20,251
Amounts due from associates		**2,686**	4,274
Taxation recoverable		**4,349**	3,314
Pledged bank deposits		**7,000**	7,000
Bank balances and cash		**63,014**	63,144
		400,038	436,055

	NOTES	30.6.2007 HK$'000 (unaudited)	31.12.2006 HK$'000 (audited)
Current liabilities			
Creditors, bills payable and accrued charges	11	**202,922**	238,339
Warranty provision		**22,474**	20,938
Amounts due to customers for contract work		**3,596**	8,480
Amounts due to associates		**52**	37
Taxation payable		**221**	2,061
Bank borrowings due within one year	12	**34,193**	37,291
Obligations under finance leases due within one year		**945**	8
		264,403	307,154
Net current assets		**135,635**	128,901
Total assets less current liabilities		**290,058**	278,093
Capital and reserves			
Share capital	13	**4,265**	4,265
Reserves	14	**275,687**	263,890
Equity attributable to equity holders of the parent		**279,952**	268,155
Minority interests		**6,081**	6,070
Total equity		**286,033**	274,225
Non-current liabilities			
Obligations under finance leases due after one year		**949**	–
Deferred taxation		**3,076**	3,868
		4,025	3,868
		290,058	278,093

Condensed Consolidated Statement of Recognised Income and Expense

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Exchange differences arising on translation of operations of foreign subsidiaries and associate recognised directly in equity	**1,369**	296
Profit for the period	**10,439**	24,381
Total recognised income and expense for the period	**11,808**	24,677
Attributable to:		
Equity holders of the parent	**11,797**	25,000
Minority interests	**11**	(323)
	11,808	24,677

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash from operating activities	**6,867**	58,908
Net cash used in investing activities:		
Purchase of property, plant and equipment	**(2,097)**	(2,661)
Other investing cash flows	**(170)**	39
	(2,267)	(2,622)
Net cash used in financing activities:		
New bank borrowings raised	**88,273**	87,493
Repayments of bank borrowings	**(91,371)**	(103,850)
Other financing cash flows	**(1,632)**	259
	(4,730)	(16,098)
Net (decrease) increase in cash and cash equivalents	**(130)**	40,188
Cash and cash equivalents at the beginning of the period	**63,144**	57,352
Cash and cash equivalents at the end of the period	**63,014**	97,540
Analysis of the balances of cash and cash equivalents representing bank balances and cash	**63,014**	97,540

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's financial year beginning 1 January 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new or revised standards or interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing cost[1]
HKFRS 8	Operating segments[1]
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions[2]
HK(IFRIC) – INT 12	Service concession arrangements[3]

1 Effective for accounting periods beginning on or after 1 January 2009.

2 Effective for accounting periods beginning on or after 1 March 2007.

3 Effective for accounting periods beginning on or after 1 January 2008.

2. Principal Accounting Policies *(Continued)*

The directors of the Company anticipate that the application of these new or revised standards or interpretations will have no material impact on the results and the financial position of the Group.

3. Segment Information

Business segments

The Group is mainly engaged in electroplating equipment business which includes the design, manufacturing and sale of custom-built electroplating equipment, sale of spare parts of electroplating machinery and provision of repairs and maintenance services. This business is the basis on which the Group reports its primary segment information.

Segment information is presented below.

For the six months ended 30 June 2007

	Electroplating equipment *HK$'000*	Other operations *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
REVENUE				
External sales	**232,383**	**750**	**–**	**233,133**
RESULTS				
Segment results	**(10,400)**	**(562)**	**600**	**(10,362)**
Unallocated corporate expenses				**(8,116)**
Change in fair value of investments held for trading				**19,752**
Share of results of associates				**9,077**
Interest expenses				**(846)**
Profit before taxation				**9,505**
Taxation credit				**934**
Profit for the period				**10,439**

3. **Segment Information** *(Continued)*

Business segments *(Continued)*

For the six months ended 30 June 2006

	Electroplating equipment *HK$'000*	Other operations *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
REVENUE				
External sales	345,879	773	–	346,652
RESULTS				
Segment results	19,595	(375)	3,126	22,346
Unallocated corporate expenses				(7,802)
Change in fair value of investments held for trading				11,002
Share of results of associates				3,397
Interest expenses				(608)
Impairment loss recognised in respect of investment in an associate				(696)
Profit before taxation				27,639
Taxation				(3,258)
Profit for the period				24,381

4. Taxation

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
The taxation comprises:		
Hong Kong Profits Tax		
Charge for the period	**–**	(1,300)
Underprovision in prior years	**(94)**	(14)
	(94)	(1,314)
Overseas taxation		
Charge for the period	**–**	(1,529)
Overprovision in prior years	**236**	–
	236	(1,529)
	142	(2,843)
Deferred taxation	**792**	(415)
	934	(3,258)

No provision for taxation for the six months ended 30 June 2007 has been made as there is no assessable profit for the period.

Hong Kong Profits Tax was calculated at 17.5% of the estimated assessable profit for the six months ended 30 June 2006.

Overseas taxation was calculated at the rates prevailing in the relevant jurisdictions for the six months ended 30 June 2006.

5. Profit for the Period

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**4,095**	2,814
(Gain) loss on disposal of property, plant and equipment	**(25)**	106

6. Dividend

No dividends were paid during either period. The directors do not recommend the payment of an interim dividend.

7. Earnings Per Share

The calculation of the basic earnings per share is based on the Group's profit for the period attributable to equity holders of the parent of HK$10,570,000 (six months ended 30 June 2006: HK$24,733,000) and the number of ordinary shares of 426,463,400 (six months ended 30 June 2006: 426,463,400).

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

8. Property, Plant and Equipment

During the period from 1 January 2007 to 30 June 2007, the Group spent HK$2,097,000 (six months ended 30 June 2006: HK$2,661,000) on acquisition of property, plant and equipment and entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of HK$2,275,000 (six months ended 30 June 2006: nil).

9. Loans Receivable

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

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
Repayable within 3 months	**4,038**	4,248
Repayable after 3 months but within 6 months	**97**	101
Repayable after 6 months but within 1 year	**145**	205
	4,280	4,554
Repayable after 1 year	**1,010**	1,219
Total	**5,290**	5,773

10. Debtors, Deposits and Prepayments

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
Trade debtors	**104,387**	227,364
Bills receivable	**54,430**	–
Other debtors and prepayments	**27,227**	29,561
	186,044	256,925

The Group allows a general credit period of one month to its trade customers except construction contracts where the Group allows staged payments. In general, credit will be offered to customers in accordance with their financial creditabilities and established payment records.

10. Debtors, Deposits and Prepayments *(Continued)*

The following is an aged analysis of trade debtors and bills receivable as at the reporting date:

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
Current	**116,200**	188,266
Overdue by:		
0 – 60 days	**19,474**	22,939
61 – 120 days	**10,754**	12,280
121 – 180 days	**3,724**	1,337
Over 180 days	**8,665**	2,542
	158,817	227,364

11. Creditors, Bills Payable and Accrued Charges

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
Trade creditors	**110,707**	108,770
Bills payable	**9,872**	–
Other creditors and accrued charges	**82,343**	129,569
	202,922	238,339

11. Creditors, Bills Payable and Accrued Charges *(Continued)*

The following is an aged analysis of trade creditors and bills payable as at the reporting date:

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
0 – 60 days	**60,283**	56,436
61 – 120 days	**31,078**	38,875
121 – 180 days	**14,021**	6,086
Over 180 days	**15,197**	7,373
	120,579	108,770

12. Bank Borrowings Due within One Year

During the period, the Group obtained new bank loans amounting to HK$88,273,000. The loans bear interest at market rates and are repayable within one year. The proceeds were used to finance the working capital of the Group.

13. Share Capital

	Number of shares	**Amount**
	'000	*HK$'000*
Shares of HK$0.01 each		
Authorised		
At 1 January 2007 and at 30 June 2007	**20,000,000**	200,000
Issued and fully paid:		
At 1 January 2007 and at 30 June 2007	**426,463**	4,265

14. Share Premium and Reserves

	Share premium HK$'000	Property revaluation reserve HK$'000	Legal reserves HK$'000	Currency translation reserve HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000	Minority interest HK$'000
At 1 January 2006	28,500	32,383	11,450	(2,651)	48,937	120,760	239,379	6,973
Exchange difference arising on translation of operations of foreign subsidiaries and associate recognised directly in equity	–	–	–	267	–	–	267	29
Profit (loss) for the period	–	–	–	–	–	24,733	24,733	(352)
Total recognised income (expenses) for the period	–	–	–	267	–	24,733	25,000	(323)
At 30 June 2006	28,500	32,383	11,450	(2,384)	48,937	145,493	264,379	6,650
Exchange difference arising on translation of operations of foreign subsidiaries and associate	–	–	–	4,178	–	–	4,178	(46)
Recognition of actuarial loss on defined benefits plans	–	–	–	–	–	(13)	(13)	–
Net income (expense) recognised directly in equity	–	–	–	4,178	–	(13)	4,165	(46)
(Loss) profit for the period	–	–	–	–	–	(4,654)	(4,654)	80
Total recognised income (expense) for the period	–	–	–	4,178	–	(4,667)	(489)	34
Acquisition of additional equity interests in subsidiaries	–	–	–	–	–	–	–	(2)
Dividend paid to a minority shareholder of a subsidiary	–	–	–	–	–	–	–	(612)
At 31 December 2006	28,500	32,383	11,450	1,794	48,937	140,826	263,890	6,070
Exchange difference arising on translation of operations of foreign subsidiaries and associate recognised directly in equity	–	–	–	1,227	–	–	1,227	142
Profit (loss) for the period	–	–	–	–	–	10,570	10,570	(131)
Total recognised income for the period	–	–	–	1,227	–	10,570	11,797	11
At 30 June 2007	28,500	32,383	11,450	3,021	48,937	151,396	275,687	6,081

15. Related Party Transaction

The remuneration of key management during the period was approximately HK$6,650,000 (six months ended 30 June 2006: HK$6,607,000).

16. Commitments

As at 30 June 2007, the Group was committed to capital expenditure of HK$5,629,000 (31.12.2006: nil) for the renovation of its office premises.