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)

INTERIM REPORT 2015

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Lam Kwok Hing
(Chairman & Managing Director)
Nam Kwok Lun *(Deputy Chairman)*
Kwan Wang Wai Alan
(Independent Non-executive Director)
Ng Chi Kin David
(Independent Non-executive Director)
Cheung Kin Wai
(Independent Non-executive Director)

AUDIT COMMITTEE

Kwan Wang Wai Alan *(Committee Chairman)*
Ng Chi Kin David
Cheung Kin Wai

REMUNERATION COMMITTEE

Kwan Wang Wai Alan *(Committee Chairman)*
Nam Kwok Lun
Ng Chi Kin David

NOMINATION COMMITTEE

Ng Chi Kin David *(Committee Chairman)*
Lam Kwok Hing
Cheung Kin Wai

COMPANY SECRETARY

Lui Choi Yiu Angela

AUTHORISED REPRESENTATIVES

Lam Kwok Hing
Nam Kwok Lun

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

11 Dai Hei Street
Tai Po Industrial Estate
Tai Po, New Territories
Hong Kong
Tel: (852) 2666 2288
Fax: (852) 2664 0717

SHARE REGISTRARS AND TRANSFER OFFICES

PRINCIPAL REGISTRAR AND TRANSFER OFFICE:

Butterfield Corporate Service Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE:

Tricor Secretaries Limited
26/F, Tesburg Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Ltd

CORPORATE WEBSITE

www.atnt.biz

LISTING INFORMATION

Listing on the Hong Kong Stock Exchange (Main Board)
Stock Short Name: Asia Tele-Net
Stock Code: 679
Board Lot: 10,000 shares

Chairman's Statement & Management Discussion and Analysis

Results

During the period ended 30 June 2015 ("Period Under Review"), the Group recorded profit attributable to owners of the Company of approximately HK$27,722,000 compared to the profit attributable to owners of the Company of approximately HK$1,261,000 for the period ended 30 June 2014 ("Previous Period"). The significant increase in Group's profit attributable to owners of the Company during the Period Under Review was primarily due to (i) a significant increase in the net change in fair value of investments held for trading and (ii) realized gain on investments held for trading. As far as the sales of electroplating equipment is concerned, the revenue recorded in the Period Under Review was in fact lower than that of the Previous Period. However, this negative impact was offset by an increase in gross profit margin as recorded in the Period Under Review. The performance of the Group is further reviewed and elaborated in the following sections.

The basic earnings per share for the Period Under Review was HK6.50 cents compared to the basic earnings per share of HK0.30 cents for the Previous Period.

Financial Review

Revenue

The revenue for the Period Under Review was approximately HK$187,494,000 or 27% less than the Previous Period. Lower revenue reported during the Period Under Review was mainly due to sluggish global economic conditions and a slower increase in the sales of high-end communication device.

In terms of business segment, approximately 56% of the revenue was generated from PCB sector (Previous Period: approximately 87%), approximately 15% came from surface finishing sector (Previous Period: approximately 12%) and approximately 29% derived from solar cell sector (Previous Period: approximately 1%). In terms of the machines geographical installation base, the revenue composition during the Period Under Review was 33% machines in PRC, 14% in Taiwan, 14% in the United States of America, 12% in Korea, 8% in Philippines, 7% in Europe, 4% in Thailand, 3% in Russia, and 5% in rest of the world.

Gross Profit

Tremendous effort was put in (i) to maintain a reasonable selling price, (ii) to ask for competitive material cost and (iii) to exercise tight control over post-sales activities including installation and warranty services. Nevertheless the cost of labor and associated staff benefits are still on the rise trend. The average gross profit margin recorded an improvement from 20.7% from Previous Period to 26.1% for the Period Under Review.

Selling and Distribution Costs

Cost spent in the Period Under Review was more or less equal to the cost spent in Previous Period.

Administrative expenses

The administrative expenses for the Period Under Review was 11% lower than the Previous Period. Vacancies arisen during Period Under Review was not replaced until the second half of this year. We continue to control our operating costs and believe that we will be able to maintain fairly the same overhead level on a yearly basis. The average inflation rates in China and Hong Kong for first half 2015 were 1.3%[1] and 3.7%[2] respectively.

Other gain or losses

As a result of the bullish stock market before the end of June 2015, this represented (i) a positive net change in fair value of investments held for trading of approximately HK$27,349,000 and (ii) realized gain on investments held for trading of approximately HK$3,894,000.

Prepayment under non-current assets

Included in prepayment under non-current assets was the final payment of RMB16,000,000 which was deposited to an escrow agent pursuant to the sales and purchase agreement dated 29 October 2014. For more details, please refer to section named “Property Development” stated below.

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1 Inflation rate in China is reported by the National Bureau of Statistics of China.

2 Inflation rate in Hong Kong is reported by Census and Statistics Department of Hong Kong.

Loans receivable under current assets

Included in loans receivable was the entrusted loan of RMB30,000,000 created pursuant to the sales and purchase agreement dated 29 October 2014. For more details, please refer to section named "Property Development" stated below.

Business Review On Electroplating Equipment (Under The Trade Name Of "PAL")

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

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

During the Period Under Review, the revenue in this business area decreased to HK$88,986,000 from HK$197,529,000 in Previous Period, representing 55% drop. Out of this total revenue, nearly 46% were shipment made to PRC.

Based on the July PMI leading indicators released by Markit Economics and the Institute for Supply Management, global PMI was unchanged from June at 51, remaining in slow growth territory. USA PMI continues to forecast an expansion but at a slower pace. European countries such as Germany, France and Spain is seeing a slower growth while UK, Italy and Sweden is seeing accelerating growth. China, Taiwan, South Korea and Indonesia continue to contract while India, Vietnam and Japan accelerated. This macro-economic data endorsed the reported PCB shipment values published by various institutes.

* PCB sales reported by listed companies in Taiwan dropped 4.86% on year over year basis whereas the drop in PCB sales was 0.68% in April[3].

* Total North American PCB business increased 4.0% in June 2015 from June 2014 and continues to experience stagnant sales compared to last year[4].

* The worldwide tablet market declined 7.0% year over year in second quarter of 2015 according to preliminary data from International Data Corporation, a premier global provider of market intelligence.

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3 Information taken from news published at the website of Taiwan Printed Circuit Association

4 Information taken from news published at the website of IPC.org

PCB and flexible PCB suppliers in Taiwan have posted not so good results for the second quarter of 2015 as orders from the iPhone 6 supply chain are expected to begin to subside and the demand from the notebook sector will remain flag. Industry players now turn to build PCB for automobiles, which on average will produce a higher gross margin than the PCB for mobile phone or notebook.

Unlike in Previous Period, during which the world experienced a sharp increase in smartphone sales, the worldwide mobile phone sales to end users totaled 446 million units during the second quarter of 2015. This represented a small increase of 0.4% year over year (see Table below) and was the slowest growth rate since 2013. Vendors that are focused on the emerging markets, such as Huawei, ZTE, TCL Communication and Micromax, benefited from high demand in these markets, while global vendors such as Sony, Samsung and HTC struggled to achieve growth at the high end of the market.

Table: Worldwide smartphone sales by top five vendors in quarter 2 of 2015 (in thousand of units)

Vendor	2Q 2015 Shipment Units	2Q 2015 Market Share	2Q 2014 Shipment Unit	2Q 2014 Market Share	Year-over-Year Change
Samsung	88,739	19.9%	97,418	21.9%	-8.9%
Apple	48,086	10.8%	35,345	8.0%	36.0%
Microsoft	27,690	6.2%	43,814	9.9%	-36.8%
Huawei	26,119	5.9%	18,219	4.1%	43.4%
LG	17,622	4.0%	18,310	4.1%	-3.8%
Others	237,503	53.2%	231,084	52.0%	2.8%
Total	445,759	100.0%	444,190	100.0%	0.4%

* *Source of data: Data released by Gartner Inc in August 2015*

This smartphone sales trend in 2014 and 2015 does more or less mirror our revenue trend in PCB sector. The Group recorded healthy revenue in Previous Period, especially in the second half because some of our customers have already kicked off factory expansion plan in second half of 2014 in view of the roll-out of iPhone 6s. However, given the poor economic condition together with a slower growth in smartphone sales in Period Under Review, our customers' sentiment to invest remain weak and as a result a drop in our equipment revenue.

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 15% from approximately HK$27,335,000 in the Previous Period to approximately HK$23,159,000 for the Period Under Review.

In July 2015, China's foreign direct investment ("FDI") increased by 7.9% to US$76.6 billion from a year earlier as reported by the National Bureau of Statistics of China. Nevertheless, as elaborated by the Commerce Ministry of China, the FDI in service sector has accounted for US$47.5 billion taking up 62% among the national total and the FDI in manufacturing reached US$23.84 billion, down 5.4% year on year, taking up 31.1% of the national total. Although the trend of FDI in manufacturing is dropping, the increase in FDI is still an embraced good news as far as SF sector is concerned. The Group has good track records in last few years to deliver successful turn-key FDI projects in China. Several expansion projects put on hold in last year was revived early this year. Some of these potential orders are materialized into orders but the shipments, hence revenue, will only be made in next year.

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

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

Sales to PV sector in the Period Under Review has increased by 236% from approximately HK$1,885,000 in the Previous Period to approximately HK$46,420,000 for the Period Under Review.

With an expected 55 gigawatts set to be installed, the global PV market will grow 36% in 2015[5]. The growth is significant when one compares it to the 2% growth in 2014. The Asia-Pacific region will install more than half of all global PV this year. Europe will begin an upswing, and North America, primarily the United States, will continue its year-over-year growth. The Group has rode on this wave of recovery and shipped a couple of equipment already as at the date of this interim report.

Outlook

In 2014 annual report, the Group reported that 2015 will be a difficult year compared to 2014. The Group still uphold this view and is working diligently to secure the opportunities which are under discussion now.

The economic restructuring process will likely temporarily exert a negative impact on China's economic growth. China is currently battling industrial overcapacity and coping with environmental challenges. To the extent that overseas investment transfers some excess capacity to foreign countries where demand is high, this general downward growth trend still post short term problems to the Group and its customers. At the time of writing this analysis, all major stock markets plunge. This has caused market value of even the best blue chips evaporated by billions of dollar. The evaporation of wealth will certainly do no good to consumer sentiment and eventually will put further deterrent to capital investment. On a brighter side, as the cost of labor and other factors of production have risen significantly in China in recent years, the era of low-end manufacturing in the country has come to an end. China is restructuring its industrial growth model by transforming from focusing on labor-intensive sectors to a model driven by advanced technologies. This transformation is forcing Chinese manufacturers to move up their industry value chain by investing more in technology and innovation. In the long run, this underlying shift provides a better business environment for a Group like us, whose core values are to provide top-notch technology to our customers at a reasonable price instead of getting into a cut throat price competition. The Group has a long history of working side by side with its customers in fulfilling their needs in technology advancement.

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5 According to GTM Research's latest report, **Global PV Demand Outlook, 2015-2015: Exploring Risk in Downstream Solar Markets**.

Looking forward, the Group is expecting a moderate fall in revenue in 2015. As we are expecting a short term hurdle for one to two years as far as electroplating equipment business is concerned, the Group will also continue to exert tremendous effort in cost control and increase its hit ratio in turning enquiries to orders. The Group will definitely continue its current R&D investment strategy as we believe this will bring long term benefits to the Group and its shareholders as a whole.

Property Development

Property Re-Development Plan

(A) Lung Hua Land

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

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

(1) The Project Company was established by the Counter Party in August 2011.

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

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

(4) On 16 October 2014, a notice was published by the Shenzhen Urban Planning Land and Resources Commission of Shenzhen Municipality (the "UPLRC Shenzhen") (深圳市規劃和國土資源委員會) to confirm the re-development of the Lung Hua Land having been listed under "2014 Lot 4 Town re-development formulated plan of Shenzhen – Draft Plan". Final approval was obtained from the Shenzhen Muncipal Government (深圳市政府) on 19 December 2014. Completion of registration as defined in the Agreement was therefore achieved.

(5) On 15 July 2015, preliminary approval was received from the UPLRC Shenzhen for the planning proposal submitted by the Project Company. A notice will be issued by UPLRC Shenzhen to public disclosing details of such planning proposal including proposed buildable area for residential, commercial and public facilities purposes. Public can submit their opinion, if any, to UPLRC Shenzhen who will consider and may, if thought fit, discuss with the Project Company again to refine the planning proposal.

Once the planning proposal is approved, the Project Company have to seek a couple of more approval/confirmation from relevant responsible bodies of the PRC government before it can proceed with paying the land premium and sign on the terms of the "Sales of land use rights contract".

In order to speed up the rest of the procedure and on the basis that all terms of the Agreement remain unchanged, the Counter Party has requested the Group to rent a factory and then vacate earlier from the Lung Hua Land. In exchange for such request, the Counter Party will compensate the Group on dollar-to-dollar basis for cost incurred for such relocation (including but not limited to rent and management fees for the new factory). If the rest of the procedure can be sped up so that the Sales of land use rights contract can be executed earlier, the Project Company can start the construction earlier and as a result the Group may receive the agreed compensation, namely 41,000 sqm redeveloped property, earlier. In view of such benefit and on the basis that all terms of the Agreement remain unchanged, the Group has agreed to such request. After some search, the Group has decided to move into a factory situated in Datianyan Industrial Zone, Songgang Street Committee, Baoan District, Shenzhen (深圳市寶安區松崗街道大田洋工業區). The relocation was recently completed and the Group's production base has now been moved from Lung Hua to Songgang. Since both are located within Baoan District, the relocation do not bring any major problem to the Group's employees, suppliers nor customers.

(B) Gongmin Land

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

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

The Acquisition was completed on 31 December 2014. Further to the completion, the result of the Acquisition was recorded as following assets in the balance sheet of the Company as of 30 June 2015:–

	RMB'000	***HK$'000****
Prepaid lease payments (Non-current and current assets)	33,742	42,785
Prepayment (Non-current assets)	16,000	20,288
Loan receivable (Current assets)	30,000	38,042
Bank balance and cash (Current assets)	6,396	8,110
Increase of assets value (Total of above)	86,138	109,225

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

As stated in the announcement dated 30 July 2015, while the overall development plan of the Gongmin Land remains changed, the Company is exploring the possibility to convert the usage of the Gongmin Land from pure industrial to include, among others, research and development office building, in part or in whole. By changing the usage of the Gongmin Land, the Company may be able to enjoy greater flexibility by dividing the buildings on the Gongmin Land into self-use or leasing purposes. The Company is still in the process of assessing the cost and benefit for such proposed change of usage and further announcement will be issued in due course.

Material Acquisition And Disposal

The Group did not have any material acquisition nor disposal during the Period Under Review.

Financial Review

Capital Structure, Liquidity and Financial Resources

As at 30 June 2015, the Group had equity attributable to owners of the Company of approximately HK$316,596,000 (31 December 2014: HK$289,237,000). The gearing ratio was nil (31 December 2014: nil). 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 30 June 2015, the Group had approximately HK$95,274,000 of cash on hand (31 December 2014: HK$114,219,000).

As at 30 June, 2015, the Group pledged deposits of HK$7,880,000 (31 December 2014: HK$19,656,000) to banks to secure banking facilities of approximately HK$82,300,000 (31 December 2014: HK$92,210,000) to the Company. Out of the secured facilities available, the Group has utilized (i) approximately HK$7,880,000 as the issuance of bank's guarantee under which customers retain right to claim refund of purchase deposits received by the Group as at 30 June 2015 (31 December 2014: HK$18,656,000), (ii) approximately HK$2,468,000 for the issuance of import letters of credit to suppliers (31 December 2014: HK$6,998,000) and (iii) nil utilization in relation to discounted export bills (31 December 2014: nil).

Foreign Exchange and Interest Rates Risk Assessment

As at 30 June 2015, the gearing ratio of the Group was nil. Most of the bank borrowing is charged at inter-bank offer rate plus a spread in the countries where the Company's subsidiaries are operating in.

Most of the assets and liabilities in the Group were mainly denominated in US dollars, HK dollars, Renminbi and Euro. The recent fall in Renminbi bring positive impact on the cost of sales as the Group's production facilities are in China. However, as this is the same expectation from our customer, the Group is expecting corresponding price pressure. It is expected that the benefit of Renminbi depreciation will be minimal.

Contingent Liabilities

As at 30 June 2015, the Company had guarantees of approximately HK$65,000,000 (31 December 2014: HK$83,920,000) to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilized by the subsidiaries was approximately HK$10,348,000 (31 December 2014: HK$25,654,000).

Capital Commitment

The Group does not have any material capital commitment as at date of this report.

Employee and Remuneration Policies

As at 30 June 2015, the Group employs a total of 650 employees. Employees are remunerated based on performance, experience and industry practice. Performance related bonuses are granted on discretionary basis. Other employee benefits included fund, insurance and medical cover.

Interim Dividend

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2015 (2014: Nil).

Appreciation

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

By Order of the Board
Lam Kwok Hing
Chairman

Hong Kong, 27 August 2015

Other Information

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares of the Company and its Associated Corporations

As at 30 June 2015, the interests and short positions of the directors and chief executives of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of 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 of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code") are set out below:

Directors' Interests in Shares of the Company (Long Positions)

Ordinary shares of HK$0.01 each of the Company

	Number of issued ordinary shares held			Percentage of the issued share capital of
Name of Director	Personal interest	Corporate interest	Total	the Company
Mr. Lam Kwok Hing	3,474,667	250,516,500 (Note)	253,991,167	59.56%
Mr. Nam Kwok Lun	–	201,995,834 (Note)	201,995,834	47.37%

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 substantially owned by J&A Investment Limited. The entire issue share capital of J&A Investment Ltd. is beneficially owned as to 80% by Mr. Lam Kwok Hing and 20% by Mr. Nam Kwok Lun.

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 executives or their associates had any interests or short positions in any shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2015.

Substantial Shareholders and Persons who have Interests or Short Positions which are Discloseable under the Securities and Futures Ordinance

As at 30 June 2015, the following persons (other than the directors of the Company) had interests or short positions in the shares and underlying shares of the Company which has been disclosed to the Company pursuant to Part XV of the SFO, or which have been recorded in the register of interests required to be kept under Section 336 of the SFO.

Substantial Shareholders in Shares of the Company (Long Positions)

Ordinary shares of HK$0.01 each of the Company

Name of shareholders	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 2015, 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 in the register under Section of 336 of SFO.

Share Option Scheme

At the annual general meeting of the Company held on 12 June 2015, 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"). The Old Scheme was adopted by the Company and remained in force for a period of ten years from the date of its adoption. Pursuant to the Old Scheme, the Company had never grant options under 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 Rules Governing the Listing of Securities on the Stock Exchange (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.

Corporate Governance

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the "GC Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2015, with deviations from code provisions A.2.1 and A.4.2 of the GC Code in respect of the separate roles of chairman and chief executive officer, and rotation of directors.

Code Provision A.2.1

Under the code A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

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

Code Provision A.4.2

Under the code A.4.2, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

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.

The international auditor of the Company, Messrs. Deloitte Touche Tohmatsu have reviewed the financial statements for the period under review and have issued a report on review of interim financial information. In accordance with the requirements of paragraph 39 of Appendix 16 of the Listing Rules, the Audit Committee has reviewed together with management the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial report matters including the review of the unaudited interim financial statements for the six months ended 30 June 2015.

Remuneration Committee

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

Nomination Committee

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

Review of Accounts

The Audit Committee has reviewed with the Company's management and external auditor 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 period under review. The external auditor has reviewed the interim financial information for the six months ended 30 June 2015 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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 to 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 2015.

Directors' rights to acquire shares of debentures

Apart from as disclosed under the heading "Directors' and Chief Executives' interests and short positions in shares, underlying shares of the Company and its Association Corporation" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

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 2015.

Events after the reporting period

There is no material subsequent event undertaken by the Company or by the Group after 30 June 2015 and up to the date of this interim report.

Publication of Results on the Websites of the Stock Exchange and the Company

The Interim Report 2015, containing the relevant information required by the Rules Governing the Listing of Securities on the Stock Exchange, has been published on the websites of the Stock Exchange and the Company.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF
ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Asia Tele-Net and Technology Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 23 to 40, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 August 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	NOTES	Six months ended 30 June 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Revenue	3	**187,494**	256,769
Cost of sales		**(138,524)**	(203,549)
Gross profit		**48,970**	53,220
Other income		**1,794**	1,889
Selling and distribution costs		**(10,290)**	(10,209)
Administrative expenses		**(40,382)**	(45,270)
Other gains or losses		**28,994**	513
Bad debts recovered		**–**	1,510
Share of results of associates		**(690)**	108
Finance costs		**(21)**	(32)
Profit before taxation		**28,375**	1,729
Taxation	4	**(174)**	(28)
Profit for the period	5	**28,201**	1,701
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations			
– subsidiaries		**146**	(2,071)
– associate		**(534)**	(12)

	NOTE	Six months ended 30 June 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Other comprehensive expense for the period		**(388)**	(2,083)
Total comprehensive income (expense) for the period		**27,813**	(382)
Profit for the period attributable to:			
Owners of the Company		**27,722**	1,261
Non-controlling interests		**479**	440
		28,201	1,701
Total comprehensive income (expense) attributable to:			
Owners of the Company		**27,359**	(892)
Non-controlling interests		**454**	510
		27,813	(382)
Earnings per share	7		
Basic		**HK6.50 cents**	HK0.30 cents

Condensed Consolidated Statement of Financial Position

At 30 JUNE 2015

	NOTES	**30.6.2015** ***HK$'000*** **(unaudited)**	31.12.2014 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment	8	**71,391**	74,108
Prepaid lease payments		**49,457**	50,098
Interests in associates		**3,273**	4,497
Prepayment		**20,288**	20,288
		144,409	148,991
Current assets			
Inventories		**50,843**	49,399
Amounts due from customers for contract work		**33,009**	75,199
Loans receivable	9	**39,866**	40,076
Debtors, bills receivables and prepayments	10	**135,590**	121,070
Prepaid lease payments		**1,385**	1,392
Held-for-trading investments	11	**50,054**	16,563
Amounts due from associates		**1,356**	1,356
Taxation recoverable		**527**	4
Pledged bank deposits	12	**7,880**	19,656
Bank balances and cash		**87,394**	94,563
		407,904	419,278
Current liabilities			
Creditors, bills payables and accrued charges	13	**136,745**	186,150
Deposit received for re-development of the land	8	**50,722**	50,705
Warranty provision		**23,861**	21,916
Amounts due to customers for contract work		**14,657**	7,309
Amounts due to associates		**23**	23
Taxation payable		**–**	1,862
		226,008	267,965
Net current assets		**181,896**	151,313
Total assets less current liabilities		**326,305**	300,304

	NOTE	**30.6.2015**	31.12.2014
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Capital and reserves			
Share capital	14	**4,265**	4,265
Reserves		**312,331**	284,972
Equity attributable to owners of the Company		**316,596**	289,237
Non-controlling interests		**2,346**	1,892
Total equity		**318,942**	291,129
Non-current liabilities			
Warranty provision		**3,048**	4,860
Deferred taxation		**4,315**	4,315
		7,363	9,175
		326,305	300,304

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Attributable to owners of the Company										
	Share capital	Share premium	Property revaluation reserve	Legal reserves	Currency translation reserve	Contributed surplus	Capital contribution	Retained profits	Sub-total	Attributable to non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2014 (audited)	4,265	28,500	32,383	13,817	49,615	48,937	1,206	101,842	280,565	1,589	282,154
Exchange difference arising on translation of foreign operations											
– subsidiaries	–	–	–	–	(2,141)	–	–	–	(2,141)	70	(2,071)
– associate	–	–	–	–	(12)	–	–	–	(12)	–	(12)
Profit for the period	–	–	–	–	–	–	–	1,261	1,261	440	1,701
Total comprehensive (expense) income for the period	–	–	–	–	(2,153)	–	–	1,261	(892)	510	(382)
At 30 June 2014 (unaudited)	4,265	28,500	32,383	13,817	47,462	48,937	1,206	103,103	279,673	2,099	281,772
At 1 January 2015 (audited)	**4,265**	**28,500**	**32,383**	**14,336**	**48,395**	**48,937**	**1,206**	**111,215**	**289,237**	**1,892**	**291,129**
Exchange difference arising on translation of foreign operations											
– subsidiaries	**-**	**-**	**-**	**-**	**171**	**-**	**-**	**-**	**171**	**(25)**	**146**
– associate	**-**	**-**	**-**	**-**	**(534)**	**-**	**-**	**-**	**(534)**	**-**	**(534)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27,722**	**27,722**	**479**	**28,201**
Total comprehensive (expense) income for the period	**-**	**-**	**-**	**-**	**(363)**	**-**	**-**	**27,722**	**27,359**	**454**	**27,813**
At 30 June 2015 (unaudited)	**4,265**	**28,500**	**32,383**	**14,336**	**48,032**	**48,937**	**1,206**	**138,937**	**316,596**	**2,346**	**318,942**

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash used in from operating activities	**(19,197)**	(4,971)
Net cash from investing activities:		
Purchase of property, plant and equipment	**(277)**	(359)
Placement of pledged bank deposits	**(7,880)**	(12,616)
Withdrawal of pledged bank deposits	**19,656**	24,914
Other investing cash flows	**550**	1,109
	12,049	13,048
Net cash used in from financing activities:		
Net decrease on bank borrowings	**–**	(543)
Other financing cash flows	**(21)**	(32)
	(21)	(575)
Net (decrease) increase in cash and cash equivalents	**(7,169)**	7,502
Cash and cash equivalents at the beginning of the period	**94,563**	221,651
Cash and cash equivalents at the end of the period	**87,394**	229,153
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	**87,394**	229,153

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

The Group's revenue from electroplating machinery business for the six months ended 30 June 2015 and 2014 analysed by principal activity is as follows:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Construction contracts in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery	**158,565**	226,749
Sale of spare parts of electroplating machinery	**7,238**	11,087
Provision of services – repairs and maintenance	**21,691**	18,933
	187,494	256,769

Segment Information

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

	Electroplating equipment Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Segment revenue	**187,494**	256,769
Segment profit	**3,462**	8,279
Intra-group management fee charged to operating segment	**2,866**	2,816
Other income	**815**	1,218
Central corporate expenses	**(9,596)**	(9,398)
Other gains or losses	**30,828**	(1,186)
Profit before taxation	**28,375**	1,729

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment Information *(Continued)*

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

There has been no material change in the total segment assets and total segment liabilities from the amounts disclosed in the last annual financial statements of the electroplating equipment segment. Accordingly, no such information has been disclosed.

4. TAXATION

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Taxation comprises:		
Current tax – overseas taxation charge for the period	**(174)**	(28)

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2015 and 2014 as there is no assessable profit for the period.

Taxation arising in other jurisdictions (including the People's Republic of China (excluding Hong Kong) ("PRC") enterprise income tax) is calculated at the rates prevailing in the relevant jurisdictions.

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Reversal of allowance for slow moving inventories (included in cost of sales)	**(211)**	(27)
Depreciation of property, plant and equipment	**3,058**	3,906
Release of prepaid lease payments	**649**	154
Included in other income		
Interest income from loans receivable	**(65)**	(95)
Interest income from bank deposits	**(550)**	(1,109)
Included in other gains or loss		
Loss on disposal of property, plant and equipment	**416**	33
Net exchange loss (gain)	**1,929**	(1,199)
Net change in fair value of held-for-trading investments	**(31,243)**	615

6. DIVIDEND

No dividends were paid, declared or proposed 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 owners of the Company of HK$27,722,000 (six months ended 30 June 2014: HK$1,261,000) and the number of ordinary shares of 426,463,400 (six months ended 30 June 2014: 426,463,400) in issue.

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

8. PROPERTY, PLANT AND EQUIPMENT

During the period from 1 January 2015 to 30 June 2015, the Group spent approximately HK$277,000 (six months ended 30 June 2014: approximately HK$359,000) on acquisition of property, plant and equipment.

On 7 August 2011, a wholly-owned subsidiary of the Company entered into an agreement (the "Agreement") with an independent third party ("Counter Party") in relation to a re-development plan ("Re-development") of two parcels of industrial land located in Bao An District, Shenzhen, the PRC ("Land") from industrial land into residential properties for resale. The details of the Agreement are set out in the Company's circular dated 19 September 2011. Pursuant to the Agreement, the Group has agreed to vacate from the Land and demolish the existing buildings and structures built or erected on the Land at its own costs and the Counter Party has agreed to re-develop the Land into residential properties and compensate the Group by paying a relocation compensation of RMB50 million (approximately HK$64 million) to the Group and transferring title of 41,000 sq.m. residential properties to the Group upon completion of the Re-development. According to the Agreement, the Counter Party is responsible for the Re-development (including but not limited to application to relevant responsible bodies of the PRC government, payment of additional land premium if any, provision of all required fund, design and construction of re-developed properties, sales of the re-developed properties, as well as obtaining a "sale of land use rights contract" (土地使用權出讓合同書) from the relevant responsible bodies of the PRC government) and set up a project company ("Project Company") for the purpose of Re-development. The Project Company was established by the Counter Party in August 2011.

The Group has entered into a re-development contract ("Re-development Contract") and relocation compensation agreement ("Relocation Compensation Agreement") with the Project Company in September 2011. Under the Re-development Contract, the Group shall apply for re-development of the Land under the "Shenzhen city town re-development formulated plan" (深圳市城市更新單元規劃制定計劃) and the Project Company shall have completed the application for town re-development and the Re-development shall have been listed as a "Town re-development formulated plan of the State" (政府城市更新規劃制定計劃) ("Completion of Registration") by the earlier of (i) two years after the signing of the Re-development Contract; or (ii) 26 months of the date of the Agreement.

8. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Under the Relocation Compensation Agreement, the Group shall have completed all the demolition work on the Land and deliver the Land to the Project Company within six months upon receiving (i) the full payment of relocation compensation of RMB50 million (The Group has received RMB40 million as deposit up to 30 June 2015 and the balancing amount of RMB10 million shall be paid to the Group within 30 days upon Completion of Registration) and (ii) written notice from the Counter Party.

Pursuant to the Agreement, if either the Group or the Counter Party fails to perform or observe the terms set forth under the Agreement, the non-defaulting party may, depending on the nature of the breach, terminate the Agreement, forfeit or return the deposit received by the Group or pay for liquidated damages (as the case may be) as stipulated under the Agreement. If the approval of the Re-development by the relevant responsible bodies of the PRC government cannot be obtained which is not due to the default of the Group or the Counter Party (including the Project Company), both the Group or the Counter Party can terminate the Agreement and return the assets (including the deposit received by the Group) transferred under the Agreement.

The Project Company has obtained the approvals from the Longhua Sub-district Office (龍華街道辦) and the Bao An District Old Town Reconstruction Office (寶安區舊改辦) for the Re-development. However, due to the subsequent change in the government structure, the Longhua New District was established on 30 December 2011, which led to a change in the approval jurisdiction for the Re-development. The Redevelopment approval jurisdiction was transferred from the Bao An District Management Bureau (寶安區管理局) to the Longhua Management Bureau (龍華管理局) under the Urban Planning, Land and Resources Commission. Subsequent to this change, the Longhua Management Bureau has gradually established its personnel and completed its work preparations and officially opened for provision of services on 29 October 2012. During their establishment period, the Project Company concurrently contacted the new and the original management bureaus in order to achieve faster progress in obtaining the approval and finally managed to strive for inclusion of the Re-development in the first batch of applications, amongst others, to be considered in approval meetings in 2013 and eventually obtained the approval from the Longhua New District Management Bureau.

8. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The Project Company originally made efforts and strive to complete the registration before the deadline as stipulated in the Agreement. However, the policy changed again. The urban planning, land and resources authorities of Shenzhen City and Longhua New District, through urban renewal work meetings, have clarified that the "Re-development Rolling Update and General Equilibrium Policy" (項目滾動更新和總量平衡政策) will be implemented for all urban renewal projects in the Longhua New District and that on the basis of whether a land grant contract has been entered into, new projects for the "reconstruction of industrial buildings into commercial or residential buildings" are no longer allowed to be included in the renewal plan if a sale of land use rights contract is not entered into for projects under the scheme so as to effectively increase the rate of the implementation of urban renewal projects. These factors resulted in a delay in Completion of Registration for the Re-development during the procedure of obtaining approval from the Shenzhen Urban Renewal Office.

In view of the fact that Re-development application was not completed within the agreed time due to force majeure for the reason of the policy change, on 25 October 2013, the Group and Counter Party entered into a supplement agreement to extend the completion of the tasks associated with the Agreement for 12 months. The details of the supplement agreement are set out in the Company's announcement dated 25 October 2013.

On 16 October 2014, a notice was published by the Shenzhen Urban Planning Land and Resources Commission of Shenzhen Municipality (the "UPLRC Shenzhen") (深圳市規劃和國土資源委員會) to confirm the re-development of the Land having been listed under "2014 Lot 4 Town re-development formulated plan of Shenzhen – Draft Plan". Final approval was obtained from the Shenzhen Municipal Government (深圳市政府) on 19 December 2014. Completion of registration as defined in the Agreement was therefore achieved.

On 15 July 2015, preliminary approval was received from the UPLRC Shenzhen for the planning proposal submitted by the Project Company.

The carrying amount of the Land and existing buildings built or erected on the Land was approximately HK$50,560,000 as at 30 June 2015 (31 December 2014: approximately HK$50,198,000). As at the end of the reporting period, the Group received the relocation deposit of RMB40 million (approximately HK$51 million) (31 December 2014: RMB40 million (approximately HK$51 million)) pursuant to the Agreement and the Land and existing buildings are used by the Group for production purpose. As at the date of the report, the Project Company have to seek a couple of more approval/confirmation from relevant responsible bodies of the PRC government before it can proceed with paying the land premium and sign on the terms of the "sales of land use rights contract". Hence, the deposit received amounted to RMB40 million is included in current liability and there is no other significant financial impact on the Group at this stage.

9. LOANS RECEIVABLE

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

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
Repayable within 3 months	**1,372**	1,998
Repayable after 3 months but within 6 months	**38,494**	36
Repayable after 6 months but within 1 year	**–**	38,042
Total	**39,866**	40,076

10. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
Trade debtors and bills receivables	**116,389**	102,490
Other debtors and prepayments	**19,201**	18,580
	135,590	121,070

As at 30 June 2015, the trade debtors balance included trade debts due from associates of approximately HK$5,598,000 (31 December 2014: approximately HK$9,168,000).

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

10. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS *(CONTINUED)*

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

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
0 – 60 days	**103,894**	91,868
61 – 120 days	**5,505**	3,857
121 – 180 days	**3,120**	2,303
Over 180 days	**3,870**	4,462
	116,389	102,490

11. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments as at 30 June 2015 and 31 December 2014 represent equity securities listed in Hong Kong. The fair values of the investments are determined based on the quoted market bid prices available on the Stock Exchange. The fair value of held-for-trading investments was classified as Level 1 of the fair value hierarchy.

12. PLEDGED BANK DEPOSITS

During the current interim period, the Group made the placement of pledged bank deposits of approximately HK$7,880,000 (six months ended 30 June 2014: approximately HK$12,616,000) to secure banking facilities granted to the Group.

13. CREDITORS, BILLS PAYABLES AND ACCRUED CHARGES

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
Trade creditors	**70,920**	119,178
Bills payables	**3,073**	1,977
Accrued staff costs	**18,127**	18,541
Commission payables to sales agents	**13,837**	12,253
Other accrued charges	**28,444**	27,847
Advances received from customers for contract work	**1,675**	915
Advances received from customers for services	**605**	5,117
Consideration payable	**64**	254
Retirement benefit obligations	**–**	68
	136,745	186,150

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

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
0 – 60 days	**46,938**	56,266
61 – 120 days	**12,974**	38,522
121 – 180 days	**10,101**	16,565
Over 180 days	**3,980**	9,802
	73,993	121,155

14. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Shares of HK$0.01 each		
Authorised:		
At 1 January 2014, 2015 and at 30 June 2015	20,000,000	200,000
Issued and fully paid:		
At 1 January 2014, 2015 and at 30 June 2015	426,463	4,265

15. RELATED PARTY TRANSACTION

During the current interim period, the Group entered into the following transactions with associates:

	Trade sales and service rendered		Warranty expense		Installation expense	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	2,618	2,762	**347**	–	**4,701**	–

Details of the outstanding balances with associates are set out in the condensed consolidated statement of financial position and note 10.

15. RELATED PARTY TRANSACTION *(CONTINUED)*

During the current interim period, the Group paid commission expense and other securities dealing expense from securities dealing of approximately HK$49,000 (six months ended 30 June 2014: approximately HK$10,000) to Karl-Thomson Securities Company Limited, which is a wholly owned subsidiary of Hoifu Energy Group Limited ("Hoifu"). Mr. Lam Kwok Hing, an executive director and a substantial shareholder of the Company, and Mr. Nam Kwok Lun, an executive director of the Company who has an indirect interest in the Company, are directors of Hoifu.

During the current interim period, the Group received rental income of approximately HK$81,000 (six months ended 30 June 2014: nil), management income of approximately HK$163,000 (six months ended 30 June 2014: nil) from BioEm Air Sanitizing Technology Company Limited ("BioEm"). The Group paid to BioEm for their products at a value of approximately HK$6,000 (six months ended 30 June 2014: nil) which was booked as administrative expense. Mr. Lam Kwok Hing, an executive director and a substantial shareholder of the Company, through his private investment vehicle Excel Dragon Investment Company Limited holds 40% indirect interest in BioEm and acts as a corporate director of BioEm.

The remuneration of key management during the period was approximately HK$7,564,000 (six months ended 30 June 2014: approximately HK$7,627,000). The amount included approximately HK$90,000 (six months ended 30 June 2014: approximately HK$75,000) as performance related incentive payments.