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)

ANNUAL REPORT 2024

Contents

Corporate Information

BOARD OF DIRECTORS

LAM Kwok Hing *M.H., J.P.*
(Chairman & Managing Director)
NAM Kwok Lun *(Deputy Chairman)*
YUNG Wai Ching *(Executive Director)*
NG Chi Kin David
(Independent Non-executive Director)
CHEUNG Kin Wai
(Independent Non-executive Director)
HONG Hui Lung
(Independent Non-executive Director)

AUDIT COMMITTEE

HONG Hui Lung *(Committee Chairman)*
NG Chi Kin David
CHEUNG Kin Wai

REMUNERATION COMMITTEE

CHEUNG Kin Wai *(Committee Chairman)*
NAM Kwok Lun
NG Chi Kin David
HONG Hui Lung

NOMINATION COMMITTEE

LAM Kwok Hing *M.H. J.P. (Committee Chairman)*
NG Chi Kin David
CHEUNG Kin Wai

INVESTMENT COMMITTEE

LAM Kwok Hing *M.H., J.P. (Committee Chairman)*
NAM Kwok Lun
YUNG Wai Ching
HONG Hui Lung

COMPANY SECRETARY

YUNG Wai Ching

AUTHORISED REPRESENTATIVES

LAM Kwok Hing *M.H., J.P.*
NAM Kwok Lun

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

LEGAL ADVISOR

Sidley Austin

Corporate Information

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
The Bank of East Asia

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 607-610
6/F, Tai Yau Building
181 Johnston Road
Wan Chai
Hong Kong
Tel: (852) 2666 2288
Fax: (852) 2664 0717

CORPORATE WEBSITE

www.atnt.biz

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Registrar and Transfer Office:
Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

Hong Kong Branch Registrar and Transfer Office:
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

LISTING INFORMATION

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

PAYMENT OF FINAL DIVIDEND

For determining eligibility to receive the final dividend:

Latest time to lodge transfer documents for registration	4:30 p.m. on 2 July 2025
Closure of register of members	3 July to 7 July 2025 (both days inclusive)
Record date	7 July 2025
Payment date	24 July 2025

Chairman's Statement and Management Discussions

FINANCIAL RESULTS

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

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

FINANCIAL REVIEW

1. Revenue

(a) Contracts with customers

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

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

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

(b) Rental income

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

(c) Interest income

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

(d) Dividend income

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

2. **Other gain or losses**

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

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

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

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

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

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

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

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

The Group assesses impairment at the end of each reporting period by evaluating conditions that may lead to impairment of property, plant and equipment. Given that the property market prices have dropped in general for the Previous Period, the Group has engaged an independent valuer to assess the fair value over certain property. Based on such valuation, an impairment of approximately HK$6,222,000 was made.

3. Other income

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

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

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

i) Interest arising from loans receivable

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

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

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

ii) Interest received from deposit placed with a broker

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

(b) Imputed interest income on Deferred Consideration

Please refer to note 16 of the financial information of this annual report for more detailed explanation on the imputed interest income of approximately HK$14,783,000 (the Previous Period: HK$45,764,000).

(c) Interest income from bank deposits

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

The balance was various miscellaneous income and fees received.

4. Selling and Distribution Costs

The selling and distribution costs represented exhibition and marketing expenses, product and public liability insurance cost and the respective personnel cost on the sales team for the electroplating equipment business segment. The costs for the Period Under Review was 0.9% less than the Previous Period.

5. Administrative expenses

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

(a) Provision for performance related incentive

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

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

No such provision was made in the Period Under Review.

(b) Administrative expenses

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

As a benchmark, the average inflation rates in China and Hong Kong for 2024 were 0.2%[1] and 1.7%[2] respectively.

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.

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

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

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

The Group recognized a reversal of impairment losses of approximately HK$1,277,000 (the Previous Period: reversal of HK$395,911,000) for Deferred Consideration. Please refer to note 16 of the financial information of this annual report for more details.

7. Loss on change in fair value of investment properties

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

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

8. Finance cost

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

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

9. Taxation

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

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

10. Exchange difference arising on translation of foreign operation

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

11. Investment properties

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

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

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

12. Deferred Consideration

Please refer to note 16 of the financial information of this annual report for more detailed explanation.

13. Loans receivable

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

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

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

Besides the revolving loan facility with KTFG, the Group has granted loans to independent third parties bearing interest between 5.25% to 8.875% per annum and the Group has received interest income of approximately HK$1,592,000 from these loans during the Period Under Review (the Previous Period: HK$790,000). The Group offered a credit period ranging from 2 to 5 years. A majority of loan offered is secured by properties in Hong Kong.

The Company seeks to maintain a low risk appetite and a balance between risk and return in a rational, stable and prudent manner. The grant of loans were all satisfied by the internal resources of the Group.

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

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

14. Investments in debt instruments

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

No	Issuer	Bond currency	Coupon rate	Maturity date	Investment cost as at 31/12/2024 HK$'000	Bond credit rating S&P's	Bond credit rating Moody's	% to Group's total assets (note)
1	Sun Hung Kai Properties Capital Market Ltd	RMB	3.20%	14/8/2027	5,151	NR	NR	0.3%
2	NWD MTD Ltd	USD	5.88%	16/6/2027	3,877	NR	NR	0.2%
3	NWD Finance BVI Ltd	USD	6.15%	Perpetual	7,754	NR	NR	0.4%
4	HKSAR Gov't of PRC	RMB	3.00%	11/1/2025	10,822	A++	AA-	0.5%
5	Link Finance Cayman 2009 Ltd	RMB	3.55%	14/11/2025	86,610	A	A2	4.3%
6	Bank of China Ltd, HK Branch	RMB	2.93%	27/3/2025	70,305	A	NR	3.5%
7	China Education Group	RMB	4.00%	19/4/2026	2,148	AA	NR	0.1%
8	Shanghai Commercial Bank Ltd	RMB	6.38%	28/2/2033	1,928	NR	A1	0.1%
9	HSBC Holdings PLC	USD	8.00%	Perpetual	1,552	NR	NR	0.1%
10	Bank of East Asia Ltd	USD	6.75%	15/3/2027	19,366	A	A3	1.0%
11	Swire Properties MTN Financing Ltd	RMB	3.20%	18/1/2025	16,181	NR	A2	0.8%
12	Bank of East Asia Ltd	USD	6.75%	15/3/2027	5,810	A	A3	0.3%
13	CCB, Lux	USD	0.00%	30/4/2025	21,495	A	A1	1.1%
14	HSBC Holdings PLC	USD	5.89%	14/8/2027	78,667	NR	A3	3.9%
15	BEA Ltd	USD	6.63%	13/3/2027	31,375	BBB	Baa2	1.6%
16	CLP Power HK Financing Ltd	USD	2.13%	30/6/2030	20,840	NR	A1	1.0%
17	ICBC, Doha	USD	0.00%	26/3/2025	11,376	A	A1	0.6%
18	HK Mortgage Corp Ltd	USD	4.13%	18/10/2027	1,549	AA+	Aa3	0.1%
19	Swire Properties MTN Fin Ltd	USD	3.50%	10/1/2028	7,510	NR	A2	0.4%
20	CK Hutchison Int'l (24) Ltd	USD	4.38%	13/3/2030	15,306	A	A2	0.8%
	Total investment cost				419,622			
	Less: impairment losses under ECL model				(4,180)			
	Net carrying amount				415,442			

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

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

	2024 HK$'000	2023 HK$'000
Investment cost	**419,622**	626,829
Less impairment loss allowance	**(4,180)**	(1,927)
Net carrying amount	**415,442**	642,902
Analysed for reporting purpose as:		
Current	**216,789**	336,103
Non-current	**198,653**	288,799
	415,442	642,902

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

15. Investments at FVTPL

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

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

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

Notes:

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

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

16. Contract assets

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

17. Creditors and accrued charges

The amount payable to creditors and accrued charges as at 31 December 2024 was approximately HK$124,090,000 which was approximately HK$64,095,000 lower than the Previous Period. Please refer to note 26 of the financial information of this annual report for more details. The decrease was mainly due to (a) decrease in trade creditors by approximately HK$41,069,000 and (b) decrease in provision for performance related incentive payments payable by approximately HK$17,000,000.

18. Contract liabilities

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

19. Deferred tax under non-current liabilities

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

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

Chairman's Statement and Management Discussions

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT

(UNDER THE TRADE NAME OF "PAL")

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

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

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

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

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

Top 5 Smartphone Companies, Worldwide Shipments, Market Share, and Year-Over-Year Growth, Q4 2024 and full year (shipments in millions of units)

Company	4Q 2024 Shipment Volumes	4Q 2024 Market Share	2024 Shipment Volumes	2023 Shipment Volumes	Year-Over-Year Change
Apple	76.9	23.2%	232.1	234.6	-0.9%
Samsung	51.7	15.6%	223.4	226.6	-1.4%
Xiaomi	42.7	12.9%	168.5	145.9	15.4%
Transsion	27.2	8.2%	106.9	103.1	12.7%
Vivo	27.1	8.2%	104.8	94.9	1.4%
Others	106.1	32.0%	402.9	361.8	12.3%
Total	331.7	100.0%	1,238.8	1,166.9	6.4%

Due to rounding, some figures may not add up precisely to the totals shown

Source: IDC Worldwide Quarterly Mobile Phone Tracker, January 13, 2025

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

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

Electroplating Equipment-Surface Finishing ("SF") Sector

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

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

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

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

Global Car Production

Region	2024[1]	2023	% Change (2024/2023)	% share in 2024
Europe	14,394,326	15,086,144	- 4.6%	19.1%
North America	11,351,650	11,721,653	- 3.2%	15.0%
South America	2,166,940	2,131,763	+ 1.7%	2.9%
Asia	45,744,807	45,075,872	+ 1.5%	60.6%
Middle East/Africa	1,844,434	1,837,721	+ 0.4%	2.4%
WORLD	75,502,157	75,853,153	- 0.5%	100.0%

[1] Provisional figures included

Source: S&P Global Mobility

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

Outlook

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

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

BUSINESS REVIEW ON PROPERTY INVESTMENT SEGMENT

Investment properties held as at 31 December 2024:–

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

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

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

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

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

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

TREASURY MANAGEMENT

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

Investments in listed shares

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

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

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

Investments in debt instruments

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

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

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

Deposits

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

MATERIAL ACQUISITION AND DISPOSAL

(a) Material acquisitions of assets

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

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

References are made to the following publications of the Company

(I) the announcement of the Company dated 9 October 2023 and the circular of the Company dated 23 February 2024 in relation to the transfer of certain properties in China;

(II) the announcement of the Company dated 1 November 2023 and the circular of the Company dated 8 March 2024 in relation to the transfer of certain properties in the Hong Kong; and

(III) the announcement of the Company dated 4 December 2023 and the circular of the Company dated 23 July 2024 in relation to the transfer of certain properties in China.

As at the date of this report, transactions listed above are all completed. Following the completion of all the transactions listed above, the Group through its subsidiaries becomes the legal owner of all the properties contemplated in all the transactions listed above. The Group also holds (a) a first mortgage in respect of a residential unit in Hong Kong and (b) interest-free and unsecured promissory notes for an amount of HK$141,689,000 as collaterals against certain liabilities. Deferred Consideration was recognized and represents the discounted value of such securities held. Please refer to note 16 of the financial information of this annual report for more detailed explanation.

EVENT AFTER THE REPORTING PERIOD

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

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

CONTINUING CONNECTED TRANSACTION

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

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

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

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

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

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

(a) in the ordinary and usual course of business of the Company;

(b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Company than terms available to or from (as appropriate) independent third parties; and

(c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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

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

(i) had received the approvals of the Board;

(ii) had been entered into in accordance with the relevant agreements governing the 2019 Loan Facility Agreement and 2022 Loan Facility Agreement; and

(iii) had not exceeded the caps disclosed in the previous circulars of the Company dated 27 September 2019 and 20 October 2022.

BUSINESS STRATEGIES

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

For electroplating equipment segment

Through our brand "PAL", it is our mission to apply electroplating technologies in different applications or business segments so that the Group would grow segment by segment. This strategy would also help us to smooth out any, if not all, cyclical effect in one particular segment or particular market and hence to produce a more stable turnover and profitability level for the benefits of shareholders.

For property investment segment

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

For treasury management segment

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

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

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

Chairman's Statement and Management Discussions

General

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

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

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

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

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

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

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

Foreign Currency Risk

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

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

Contingent Liabilities

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

Pledge of Assets

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

Capital Commitment

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

Employee and Remuneration Policies

As at 31 December 2024, the Group employs a total of 327 employees (31 December 2023: 327), including 12 employees (31 December 2023: 12) hired by our associated company. Employees and Directors are remunerated based on performance, experience and industry practice. Performance related bonuses are granted on discretionary basis. The Group maintains a mandatory provident fund schemes for its employees in Hong Kong and participates in the state-managed retirement benefit schemes for its employees in PRC. The Group also maintained appropriate insurances and medical cover for its employees.

The Company has adopted a share option scheme. No option was granted during the Period Under Review (the Previous Period: nil).

FINAL DIVIDEND

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

APPRECIATION

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

EXECUTIVE DIRECTORS

Mr. LAM Kwok Hing *M.H., J.P.*, Honorary Consul, aged 60, is the Chairman and Managing Director of Asia Tele-Net and Technology Corporation Limited ("ATNT") and joined the Group in 1995. Mr. Lam is the younger brother of Mr. Nam Kwok Lun, the Deputy Chairman and Executive Director of the Company.

Mr. Lam has over 30 years' experience in securities trading and financial market. Together with the Deputy Chairman of ATNT, he set up a group of companies since 1991 to provide various financial services to the public and trade under the brand name of Karl Thomson. In 2000, Karl Thomson was listed to the Hong Kong main board ("Karl Thomson", with a listed code of 0007). Mr. Lam was the Chairman of Karl Thomson from year 2000 to 2012. The listed group has expanded into other industries and businesses and is subsequently renamed as Wisdom Wealth Resources Investment Holding Group Limited ("Wisdom Wealth"). Mr. Lam was the executive director of Wisdom Wealth from year 2013 until 6 February 2024. He continues his role as a director of Karl Thomson Financial Group Limited, a wholly owned subsidiary of Wisdom Wealth.

Mr. Lam was awarded the Medal of Honor by the Hong Kong Special Administrative Region (the "HKSAR") in 2009. On 30 June 2017, Mr. Lam was appointed as Justice of the Peace by the Chief Executive of the HKSAR. In July 2017, he was appointed as honorary consul of the Republic of Senegal in Hong Kong.

In 2013, he was appointed as a committee member of the Shaanxi Provincial Committee of the Chinese People's Political Consultative Conference. Given his contributions to the committee, he was elected as the standing committee member in 2018 and holds such position since then.

As far as community services are concerned, Mr. Lam hosts a number of posts in various charitable organizations and schools. Mr. Lam was appointed as the Chairman of the Board of Pok Oi Hospital for the period 2008 to 2009 and currently he is a permanent advisor of the Board of Pok Oi Hospital.

In 2014, Mr. Lam allied with other charity leaders and formed a new charitable organization called Hong Kong Shine Tak Foundation. This charitable organization targets to motivate elites in community to engage in various projects in order to bring a positive value to the young people and to build a society of peace and harmony.

Mr. Lam also holds various other position in public service and renowned charitable organizations, including being (i) member of Appeal Board on Public Meetings and Processions and (ii) the officer-in-charge of the Constitutional and Mainland Affairs Committee of the HKCPPCC (Provincial) Members Association.

Reference is made to the announcement issued by the Company on 10 July 2024. When serving as a director for Wisdom Wealth in year 2018, Mr. Lam being one of the relevant directors was found to have breached his duties under Rule 3.08 and 2.13(2) of the Listing Rules in respect of the value of five parcels of land disclosed, and/or in respect of the disclosure of the valuation methodology ("The Disclosed Incident"). The Board has reviewed the Disclosed Incident and considered that Mr. Lam is still suitable to continue to act as executive director of the Company because, among other things, (i) no findings or conclusions set out in the statement issued by the Stock Exchange in relation to the Disclosed Incident stated that any of the relevant directors is unsuitable to act as a director of Hong Kong listed companies; (ii) the Disclosed Incident do not involve any dishonesty, fraud or integrity issues on the part of any of the relevant directors and (iii) the Disclosed Incident is not related to the affairs of the Company or the Group.

Directors & Senior Management Profile

Mr. NAM Kwok Lun, aged 65, is the Deputy Chairman of ATNT. He joined the Group in 2005. He is responsible for overall strategic planning, day to day operations, execution and further development. Mr. Nam is the elder brother of Mr. Lam Kwok Hing.

Mr. Nam has over 40 years' experience in the securities trading, fund management and financial advisory services. Mr. Nam was the executive director of Wisdom Wealth from year 2000 until 15 September 2023. He continues his role as a director of Karl Thomson Financial Group Limited, a wholly owned subsidiary of Wisdom Wealth. In Wisdom Wealth, Mr. Nam is in charge of the day to day operations of stockbroking, futures and options broking and securities margin financing businesses.

He is a Chairman of China Hong Kong Young Innovative Entrepreneur Association Limited, an honorary president of Hong Kong Immigration Assistant Union and an honorary consultant of Hong Kong Securities and Futures Professionals Association.

Reference is made to the announcement issued by the Company on 10 July 2024. When serving as a director for Wisdom Wealth in year 2018, Mr. Nam being one of the relevant directors was found to have breached his duties under Rule 3.08 and 2.13(2) of the Listing Rules in respect of the value of five parcels of land disclosed, and/or in respect of the disclosure of the valuation methodology ("The Disclosed Incident"). The Board has reviewed the Disclosed Incident and considered that Mr. Nam is still suitable to continue to act as executive director of the Company because, among other things, (i) no findings or conclusions set out in the statement issued by the Stock Exchange in relation to the Disclosed Incident stated that any of the relevant directors is unsuitable to act as a director of Hong Kong listed companies; (ii) the Disclosed Incident do not involve any dishonesty, fraud or integrity issues on the part of any of the relevant directors and (iii) the Disclosed Incident is not related to the affairs of the Company or the Group.

Ms. YUNG Wai Ching, Ada, aged 59, is the Deputy General Manager of ATNT and joined the Group in 1998. She is the Company Secretary of the Company since 2016. She is responsible for the day to day operations, financial management, taxation planning, legal advisory, IT, human resources management and general compliance for ATNT Group. She holds a Bachelor degree in Accountancy from the City University of Hong Kong and is a member of Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants and The Hong Kong Chartered Governance Institute. Before joining ATNT Group, she had extensive experience in various industries including telecommunication, trading, manufacturing and system integration.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. NG Chi Kin David, aged 63, is an Independent Non-executive Director of ATNT and joined the Group in 1995. He is a professional accountant, fellow member of the Hong Kong Institute of Certified Public Accountants and member of CPA Australia. Mr. Ng is a certified public accountant and Managing Director of CNG Partners CPA Limited.

Reference is made to the announcement issued by the Company on 10 July 2024. When serving as a director for Wisdom Wealth in year 2018, Mr. Ng being one of the relevant directors was found to have breached his duties under Rule 3.08 and 2.13(2) of the Listing Rules in respect of the value of five parcels of land disclosed, and/or in respect of the disclosure of the valuation methodology ("The Disclosed Incident"). The Board has reviewed the Disclosed Incident and considered that Mr. Ng is still suitable to continue to act as director of the Company because, among other things, (i) no findings or conclusions set out in the statement issued by the Stock Exchange in relation to the Disclosed Incident stated that any of the relevant directors is unsuitable to act as a director of Hong Kong listed companies; (ii) the Disclosed Incident do not involve any dishonesty, fraud or integrity issues on the part of any of the relevant directors and (iii) the Disclosed Incident is not related to the affairs of the Company or the Group.

Mr. CHEUNG Kin Wai, aged 69, is an Independent Non-executive Director of ATNT and joined the Group in 1998. He holds a Bachelor of Social Science degree from the Chinese University of Hong Kong and a MBA degree from the University of California, Riverside. Mr. Cheung has worked for over 25 years with various international banking and brokerage firms. He has extensive securities and financial investment experience and now owns his own investment and assets management company.

Mr. HONG Hui Lung, aged 55, is an Independent Non-executive Director of ATNT and joined the Group in 2023. Mr. Hong obtained a bachelor degree in science from the University of Hong Kong in 1992. After graduation, Mr. Hong had worked in an international audit firm. Mr. Hong has professional expertise and extensive experience in investment banking for about 17 years. Mr. Hong has participated as speakers of certain professional trainings and seminars regarding the regulation, landscape and development of Hong Kong and China capital markets. Mr. Hong is a fellow member of the Association of Chartered Certified Accountants. He is currently an independent non-executive director of China Environmental Energy Investment Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 986).

SENIOR MANAGEMENT

Mr. WONG Kwok Wai, Ronnie, aged 60, is the Senior Vice President of ATNT since January 2023. Previously, he was the Managing Director of Process Automation International Ltd ("PAL") and has worked for the Group since 1985. He is the major contributor in building a strong presence for PAL in Asia, Taiwan in particular. In his role as Senior Vice President, he will assist ATNT and PAL to look for external co-operations and provide guidance to our product development team for technology advancement. He holds a degree in Chemical Technology from Hong Kong Polytechnic University.

Mr. LAU Kam Chan, Kelvin, aged 58, is the Managing Director of PAL since January 2023 and has joined the Group since 1990. He is responsible for the day to day operations, strategic planning and business development of our electroplating equipment business. He graduated from the Glasgow University (Scotland) with a Bachelor degree in Electronics and Electrical Engineering. He has extensive experience in marketing and is the major contributor in building a strong presence for PAL in China.

Mr. CHAN Chi Wai, aged 68, is the Director of PAL and joined the Group in 1981. He is responsible for manufacturing arm in China for PAL. He has extensive experience in the electroplating industry.

COMPANY SECRETARY

Ms. YUNG Wai Ching, Ada

(as disclosed above)

Directors' Report

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company mainly engaged in electroplating business, property investment and treasury management. The activities of its principal subsidiaries and associates are set out in notes 38 and 19 respectively to the consolidated financial statements.

BUSINESS REVIEW

A business review as required under the Companies Ordinance (Chapter 622 of the laws of Hong Kong) is set out in the "Chairman's Statement and Management Discussion" on pages 4 to 22.

SEGMENTAL INFORMATION

An analysis of the Group's revenue and results by segments for the year ended 31 December 2024 is set out in note 5 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties faced by the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to in the Chairman's Statement and Management Discussion and Analysis.

1. Economic climate and individual market performance

The economic conditions in each geographical area will have a general impact on consumer confidence in that particular geographical area which would in turn affect sales and results of the Group. While the Group has quite a wide footprint in its geographical coverage, we have focused markets in Taiwan, US and European countries. Any decline in the general economic conditions of these countries may bring negative effect to the financial results of the Group.

2. Customers' credit risk

Customers' credit risk is the risk of loss due to a customer's non-repayment for products or services the Group sold to them. In order to minimise the credit risk, management of the Group will review the financial strength and credit history of each customer and set up individualized credit limits in order to limit the exposure to each individual customer. Weekly meeting is held to review any milestone payments which are fall due. Staff will contact customers and follow up payments which are fall due. In addition, the Group reviews the recoverable amount outstanding at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

3. **Contract fulfillment risk**

The principal business of our key subsidiaries are sales of tailor-made electroplating equipment. Based on our past experience, staff will discuss and agree technical specifications required by the customers. There are chances that equipment sold may not meet all agreed specifications. In such cases, we will provide alternate designs to the customers and, depending on the circumstances, the incremental cost may or may not be borne by us. If such cases do arise, the profit margin of the Group will normally be reduced as the Group will incur additional cost and may face the risk of paying penalty to the customers due to late completion (depending if any penalty term is agreed).

4. **Liquidity risk**

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents which is adequate for the Group's operations.

5. **Foreign Currency Risk**

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

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

6. **Equity Price Risk**

Equity price risk is the risk that arises from securities price volatility – the risk of a decline in the value of a security. Securities prices can be very volatile and unpredictable subject to different market and economic factors both locally and internationally. While the Group has invested in certain listed securities in Hong Kong, the Group intends to build a diversified portfolio to mitigate risk from a particular industry or sector.

7. **Issuer's risk over bond or certificate of deposit acquired**

All bonds and certificates of deposits carry some degree of credit risk or the risk that the bond or certificate of deposit issuer may default on one or more payments before the bond or certificate of deposit reaches maturity. In the event of a default, the Group may lose some or all of the income it was entitled to, and even some or all of principal amount invested. To mitigate such risk, the Group would consider the credit rating of the issuers and issuers with investment grade are the preferred choices.

8. **Price risk associated with investment properties**

As the Group has held certain investment properties, the Group is subject to price risk which refers to the possibility of fluctuations in property values and rental income due to changes in economic conditions, interest rates, and demographic shifts. The Group is exposed to price risk as all investment properties are measured at fair value at each year end date and its rental income may be affected. The Group manages its exposure by monitoring the price movements and the changes in market conditions that may affect the value of these investments.

Please also refer to note 35 of the financial information of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 60. There was no significant change in the nature of the Group's principal activities during the year.

The Directors recommend the payment of a final dividend of HK$0.02 per share for the Period Under Review. Together with an interim dividend of HK$0.01 per share which was already paid, a total payment of HK$0.03 per share will be distributed to shareholders for the Period Under Review.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and restated/reclassified as appropriate, is set out on page 132.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 30 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, the Company repurchased a total of 11,320,000 ordinary shares on the Stock Exchange at an average cost of HK$0.995 per share for an aggregate consideration of approximately HK$11,263,600 before expenses. The repurchased shares were cancelled on 16 August 2024. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follow:

Month of purchase in 2024	No. of shares purchased	Purchase consideration per share		Aggregate consideration paid
		Highest price paid	Lowest price paid	
		HK$	*HK$*	*HK$*
January	11,320,000	1.00	0.92	11,263,600
Total	11,320,000			11,263,600

Other than as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year. As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

RESERVES

Under The Companies Act 1981 of Bermuda, the Company's contributed surplus account is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the Directors, the Company's reserves available for distribution to its shareholders as at 31 December 2024 are approximately HK$411,136,000, being the contributed surplus of approximately HK$36,438,000 and retained profits of approximately HK$374,698,000.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group together accounted for approximately 40.7% of the Group's turnover, with the largest customer accounted for approximately 14.0%. The aggregate purchases attributable to the Group's five largest suppliers were less than 35.5% of the Group's purchases.

At no time during the year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers or suppliers.

PROPERTY, PLANT & EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

Attention is drawn to the section named "Property Development" in the Chairman's Statement and Management Discussion and Analysis.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. LAM Kwok Hing *M.H., J.P. (Chairman and Managing Director)*
Mr. NAM Kwok Lun *(Deputy Chairman)*
Ms. YUNG Wai Ching *(Executive Director appointed on 24 June 2024)*

Independent Non-executive directors:

Mr. NG Chi Kin David
Mr. CHEUNG Kin Wai
Mr. HONG Hui Lung

In accordance with Clause 87(2) of the Company's Bye-laws, one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting. In accordance with the code provision B.2.2 of Appendix C1 Corporate Governance Code, every director should be subject to retirement by rotation at least once every three years. Therefore, Mr. NAM Kwok Lun and Mr. CHEUNG Kin Wai should retire and offer themselves for re-election at the forthcoming annual general meeting ("AGM").

The Director being proposed for re-election at the forthcoming AGM does not have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Company has received from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Based on the confirmation received, the Board considers all of the Independent Non-executive Directors are independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 23 to 25 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors had a service contract with the Company. These service contracts continued unless and until terminated by either the Company or the Directors giving to the other party 6 months' notice in writing.

Each of the Independent Non-executive Directors has signed a letter of appointment for a term of three years until terminated by not less than three months' notice in writing served by the Independent Non-executive Director to the Company or in accordance with the terms set out in the respective letters of appointment. Each of the Independent Non-executive Directors is entitled to a director's fee.

DIRECTORS' REMUNERATION

The remuneration committee of the Board considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the remuneration committee to ensure that the levels of their remuneration and compensation are appropriate. Details of the Directors' remuneration are set out in note 10 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

At 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long position

Ordinary shares of HK$0.01 each of the Company

Name of director	Number of issued ordinary shares held: Personal interest	Number of issued ordinary shares held: Corporate interest	Total	Percentage of the issued share capital of the Company
Mr. Lam Kwok Hing	3,474,667	275,766,500 (Note)	279,241,167	72.98%

Note: The amount composed of 48,520,666, 201,995,834 and 25,250,000 shares of the Company that were held by Medusa Group Limited ("Medusa"), Karfun Investments Limited ("Karfun") and J & A Investment Limited ("J & A") respectively. Medusa is a company wholly-owned by Mr. Lam Kwok Hing. Karfun is owned by J & A for approximately 98.63%. Mr. Lam Kwok Hing who is the Chairman and Managing Director of the Company owns 80% shareholding in J & A.

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 the shares, underlying shares or debentures 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 executives 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 31 December 2024.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "connected transactions" and "continuing connected transactions" below, there was no other transaction which needs to be disclosed as a connected transaction or a continuing connected transaction in accordance with the requirements of the Listing Rules and no contract of significance to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected Transactions

During the year, the Group has paid approximately HK$130,000 as brokerage commission to Karl-Thomson Securities Company Limited, which is a wholly owned subsidiary of Wisdom Wealth Resources Investment Holding Group Limited ("Wisdom Wealth") in which Mr. Lam Kwok Hing and Mr. Nam Kwok Lun are the executive directors.

During the year, the Group has purchased products of approximately HK$29,000 from BioEm Air Sanitizing Technology Company Limited, a company which Mr. Lam Kwok Hing has indirectly held 68.75% shareholding interests.

For the above connected transactions, the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rule were less than 5%, therefore, they both fell below the de minimis threshold under Rule 14A.76 of the Listing Rules and were not subject to any reporting, independent shareholder's approval, annual review and all disclosure requirements.

Continuing Connected Transactions

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

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

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

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

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

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

(a) in the ordinary and usual course of business of the Company;

(b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Company than terms available to or from (as appropriate) independent third parties; and

(c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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

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

(i) had received the approvals of the Board;

(ii) had been entered into in accordance with the relevant agreements governing the 2019 Loan Facility Agreement and 2022 Loan Facility Agreement; and

(iii) had not exceeded the caps disclosed in the previous circulars of the Company dated 27 September 2019 and 20 October 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2024, none of the Directors or their respective associates had any business or interests in business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors of the Company or their respective spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, 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 shareholders	Capacity	Number of shares held	Percentage of Company's issued share capital
Medusa	Beneficial owner	48,520,666	12.68%
Karfun	Beneficial owner	201,995,834	52.79%
J & A	Beneficial owner	25,250,000	6.60%

Please refer to the note under the section heading "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporation" above.

Save as disclosed above, as at 31 December 2024, no person (other than the Director of the Company whose interests are set out under the heading "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporation" 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 336 of SFO.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

As Mr. Lam Kwok Hing, the Chairman and Managing Director of the Company, is also the controlling shareholder, please refer to the section "Directors' interests in contracts of significance" above.

SHARE OPTIONS

A summary of the Share Option Scheme (the "Scheme") which came into effect from 12 June 2015, disclosed in accordance with the Listing Rules is as follows:

(1) Purpose of the Scheme

The purpose of the Scheme is to enable the Company to grant option to the eligible participants as incentives and rewards for their contributions to the Company or such subsidiaries.

(2) Participants of the Scheme

The Board may, at its discretion, to grant options to any employees (whether full time or part time), executives or officers of the Company or any of the subsidiaries (including executive and non- executive Directors) and any business consultants, agents, financial or legal advisers who will contribute or have contributed to the Company or any of the subsidiaries.

(3) Total number of shares available for issue under the Scheme and % of issued share capital at 31 December 2024

The number of shares available for issue under the Scheme was 38,263,340 shares representing 10% of the issued share capital of the Company at 31 December 2024.

(4) Maximum entitlement of each participant under the Scheme

The maximum number of shares issuable under the Scheme to each participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK$5,000,000, in any 12-month period, are subject to shareholders' approval in general meeting of the Company.

(5) The period within which the shares must be taken up under an option

The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted.

(6) The minimum period for which an option must be held before it can be exercised

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option.

(7) The amount payable upon acceptance of option

HK$1.00 is payable by each eligible participant to the Company on acceptance of the option on or before the 30th day after the option is offered.

(8) The basis of determining the exercise price

The exercise price must be at least the higher of:

(i) the closing price of the share as stated in the Stock Exchange's daily quotations sheet on the date of grant which must be a business day;

(ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a share.

(9) The remaining life of the Scheme

The Scheme will expire at the close of business of 12 June 2025.

RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee are required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK$30,000. Contributions made to the scheme are vested immediately.

The relevant PRC subsidiaries are required to make contributions to the state-managed schemes in the PRC based on a certain percentage of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liability to these retired staff.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the law of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices of the Company is set out in the "Corporate Governance Report" on pages 38 to 54.

ENVIRONMENTAL POLICY

The Group is committed to minimise the impact of its activities on the environment. The key points of its strategy to achieve this are:

- Minimise waste by evaluating operations and ensuring they are as efficient as possible.
- Implement a training program for its staff to raise awareness of environmental issues and enlist their support in improving the Company's performance.
- Meet or exceed all the environmental legislation that relates to the Company and its subsidiaries.
- Measure its impact on the environment and set targets for ongoing improvement.
- Will encourage the adoption of similar principles by its key suppliers.

SUFFICIENCY OF PUBLIC FLOAT

At the latest practicable date prior to the issue of this report, based on the information that is publicly available to the Company and within the knowledge of its Directors, the Company has maintained sufficient public floats as required under the Listing Rules throughout the year ended 31 December 2024.

AUDITOR

A resolution will be submitted to the AGM of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

CLOSURE OF SHARE REGISTER OF MEMBERS

The AGM is expected to be held on Thursday, 26 June 2025. In order to determine the shareholders who will be qualified for attending and voting at the AGM, the register of members of the Company will be closed from Friday, 20 June 2025 to Thursday, 26 June 2025, both days inclusive. All completed transfer documents together with the relevant share certificate(s) must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 19 June 2025 for registration.

On behalf of the Board

Lam Kwok Hing *M.H., J.P.*
Chairman and Managing Director

Hong Kong, 27 March 2025

Corporate Governance Report

The Company recognizes that good corporate governance is vital to the success of the Group and sustains development of the Group. The Company is committed to maintaining good corporate governance standard and practices with an emphasis on integrity, transparency and independence. The board of directors (the "Board") believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules").

During the financial year of 2024, the Company has complied with most of the CG Code, save for the following:

1. Under code provision B.2.2, every director should be subject to retirement by rotation at least once every three years. The Chairman of the Board of the Company is not subject to retirement by rotation pursuant to Bye-law 87(2) of the Company's Bye-laws; and

2. Under code provision C.2.1, the role of the Chairman and the chief executive 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 positions of both Chairman and MD are currently held by Mr. Lam Kwok Hing. 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. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprises experienced and high calibre individuals. In addition, through the supervision of the Board which comprised of three independent non-executive directors, representing half of the Board, the interests of the shareholders are adequately and fairly represented.

The Company periodically reviews its corporate governance practices to ensure they continue to meet the requirements of the CG Code during the year of 2024. The key corporate governance principles and practices of the Company are summarised in this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transaction.

Having made specific enquiry by the Company, all Directors have confirmed that they had complied with the Model Code throughout the year ended 31 December 2024.

THE BOARD

Responsibilities

As at the date of this annual report, the Board comprises of three Executive Directors, being Mr. Lam Kwok Hing (Chairman and Managing Director), Mr. Nam Kwok Lun (Deputy Chairman) and Ms. Yung Wai Ching; three Independent Non-executive Directors, being Mr. Cheung Kin Wai, Mr. Hong Hui Lung and Mr. Ng Chi Kin David. Biographical details, which include relationships among members of the Board, are provided in the "Directors & Senior Management Profile" section of the Annual Report. The composition of the Board is well balanced with the Directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The Executive Directors and Independent Non-executive Directors bring a variety of experience and expertise to the Company.

There is a clear division of responsibilities between the Board and the management. The Board is responsible for providing high-level guidance and effective oversight of management while day-to-day management of the Group is delegated to the management team of each respective subsidiary. Generally speaking the Board is responsible for:

- Formulating the Group's long term strategy and monitoring the implementation thereof
- Approval of interim and year-end dividend
- Reviewing and approving the annual and interim reports
- Ensuring good corporate governance and compliance
- Monitoring the performance of the management
- Reviewing and approving any material acquisition and assets disposal
- Developing and reviewing the Group's policies and practices on corporate governance
- Evaluating and determining the Company's Environmental, Social and Governance ("ESG")-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the Executive Directors, senior management and certain specific responsibilities to the Board committees. The Board is committed to making decisions in the best interests of both the Company and its shareholders.

The Board acknowledges its responsibility for preparing the financial statements of the Company and the Group which give a true and fair view of the Group's affairs in accordance with statutory requirements and applicable accounting standards. The statement by the auditor of the Company about its reporting responsibilities for the consolidated financial statements of the Company is set out on pages 53 to 55 in the Independent Auditor's Report.

All Directors have full and timely access to all relevant information as well as the advice and service of the Company Secretary to ensure Board procedures and all applicable rules and regulations are followed.

Board Diversity Policy

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a diverse Board will leverage differences in thought, perspective, industry experience, knowledge & skills including – expertise in financial, global business, leadership, technology, mergers & acquisition, sales and marketing, risk and cyber security and other domains, which will ensure that the Company retains its competitive advantage.

The Nomination Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions. The Nomination Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

As far as gender distribution is concerned, as at 31 December 2024, the Board comprised six directors, including one female director.

Composition

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

As at 31 December 2024, the Board comprised six members, including three Executive Directors and three Independent Non-executive Directors, as follows:

Executive Directors

Mr. LAM Kwok Hing *M.H., J.P. (Chairman and Managing Director)*
Mr. NAM Kwok Lun *(Deputy Chairman)*
Ms. YUNG Wai Ching (appointed on 24 June 2024)

Independent Non-executive Directors

Mr. NG Chi Kin David
Mr. CHEUNG Kin Wai
Mr. HONG Hui Lung

Biographical details of the Directors are set out on pages 23 to 25.

Ms. YUNG Wai Ching was appointed during year 2024. She confirms that she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 24, 2024, and (ii) understands her obligations as a director of the Company under the Listing Rules.

During the year ended 31 December 2024 ("the Period Under Review"), the Board complied with the Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors and one of the independent non-executive directors has appropriate professional qualifications or accounting or related financial management expertise. The Board also complied with the Rule 3.10A of the Listing Rules so that independent non-executive directors representing at least one-third of the Board. All three Independent Non-Executive Directors are appointed for a specific term of three years. They are subject to retirement by rotation and re-election provisions of the Bye-laws.

The Company has received written annual confirmation from each Independent Non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The Bye-laws of the Company requires that one-third (if the number is not a multiple of three, the number nearest to but not more than one-third) of the Directors (including executive and non-executive directors) shall retire by rotation each year. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and those of the other Directors who have been longest in office since their election or re-election. A retiring Director is eligible for re-election. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting and be eligible for re-election. Any Director appointed pursuant to the aforesaid Bye-laws shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Board Meetings and General Meeting

During the Period Under Review, four board meetings and the annual general meeting ("AGM") for the year 2024 were held with details of the Directors' attendance set out below:

Directors	Attendance/Number of Meetings Board Meetings	AGM
Executive Directors		
Mr. LAM Kwok Hing *M.H., J.P.** *(Chairman and Managing Director)*	4/4	1/1
Mr. NAM Kwok Lun *(Deputy Chairman)*	4/4	1/1
Ms. YUNG Wai Ching (appointed on 24 June 2024)	1/1	1/1
Independent Non-executive Directors		
Mr. NG Chi Kin David	4/4	1/1
Mr. CHEUNG Kin Wai	4/4	1/1
Mr. HONG Hui Lung	4/4	1/1

Board Practices and Conduct of Meetings

The Board meets regularly, at least four times, throughout the year to formulate overall strategy of the Group, monitor its financial performance and maintain effective oversight over the management. Directors may participate either in person or through electronic means of communication. Notice of regular board meetings is sent to all directors at least 14 days prior to the meeting. For other board and committee meetings, reasonable notice is generally given.

Draft agenda of each board meeting is usually sent to all directors together with the notice of meeting in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting. Board papers together with all appropriate, complete and reliable information are sent to directors at least 3 days before each board meeting to keep the directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Chairman and other relevant senior management normally attend regular board and committee meetings, and where necessary, other board and committee meetings to advise business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group. Draft minutes are normally circulated to directors for comment in due course after each meeting and the final copy, which is kept by the company secretary, is open for directors' inspection.

Any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened board meeting. Except for those circumstances permitted by the Bye-laws, a director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such director is not counted for quorum determination purpose.

Directors' Training

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Company's constitutional documents and the Guides on Directors' Duties issued by the Companies Registry to each newly appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, as well as organizes seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

During the year of 2024, all directors of the Company have participated in continuous professional development program in order to refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. They also read newspaper and relevant materials on the topics related to roles and responsibilities of directors and corporate governance and regulations.

DELEGATION BY THE BOARD

The Directors are aware of their collective and individual responsibilities to the shareholders for the wellbeing and success of the Company.

To enhance the effectiveness of the management of the Company, the Board has established four committees, namely, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Investment Committee to oversee corresponding aspects of the Company's affairs. All Board committees of the Company have defined written terms of reference.

BOARD COMMITTEES

Audit Committee

The Audit Committee was established in 1999 and comprises three Board members, all of whom are Independent Non-executive Directors. The Audit Committee has adopted the same term of reference, which describes the authority and duties of the Committee, as quoted under code provision D.3.3 of the CG Code. The written terms of reference which describe the authority and duties of the Audit Committee were adopted in 1999 and revised on March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website and the Stock Exchange.

The Audit Committee is primarily responsible for the following duties:

- to make recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the audit fees and the terms of engagement of the external auditor, and any questions of their resignation or dismissal.

- to monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences.

- to monitor integrity of the Company's consolidated financial statements, annual report, accounts and the half-year report, and to review significant financial reporting judgments contained in them.

- to oversee the Company's financial reporting system and internal control procedures.

- to review compliance with regulatory and legal requirements by the Company.

The Audit Committee will meet at least twice each year. In 2024, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31 December 2023 and the interim results of the Group for the 6 months ended 30 June 2024, assessing any changes in accounting policies and practices, major judgmental areas and compliance with applicable legal and accounting requirements and standards, discussing with the auditor of the Company on internal control and the re-appointment of the external auditor. The Audit Committee also provides in important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

There were two meetings held during the Period Under Review, details of attendance are set out below:

Audit Committee Members	**Attendance/ Number of Meetings**
Independent Non-executive Directors	
Mr. HONG Hui Lung *(Chairman)*	2/2
Mr. NG Chi Kin David	2/2
Mr. CHEUNG Kin Wai	2/2

The interim results for the six-months ended 30 June 2024 and the annual results for the financial year ended 31 December 2023 were reviewed by the Audit Committee before publication.

Nomination Committee

The Nomination Committee of the Company (the "Nomination Committee") is established on 27 March 2012 and is composed of two independent non-executive directors and one executive director, namely Mr. Lam Kwok Hing (Chairman of the Nomination Committee), Mr. Cheung Kin Wai and Mr. Ng Chi Kin David.

In order to comply with the Revised CG Code, the Board adopted terms of reference of the Nomination Committee on 27 March 2012 and the terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify and nominate qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise, and to make recommendations to the Board on matters relating to the appointment or re-appointment of directors and succession plan for directors, in particular the Chairman and the Chief Executive Officer.

The Nomination Committee shall meet at least once per year according to its terms of reference. A Nomination Committee meeting was held during the Period Under Review, details of attendance are set out below:

Nomination Committee Members	**Attendance/ Number of Meetings**
Mr. LAM Kwok Hing *M.H., J.P. (Chairman)*	1/1
Mr. NG Chi Kin David	1/1
Mr. CHEUNG Kin Wai	1/1

During the Period Under Review, the Nomination Committee had reviewed (i) the structure, size and composition of the Board of Directors of the Company, (ii) the retirement and re-appointment arrangement of the Directors in the Company's forthcoming annual general meeting and (iii) board diversity policy.

Remuneration Committee

The Company established the Remuneration Committee in February 2005 with terms of reference substantially the same as those contained in paragraph E.1.2 of the CG Code. The written terms of reference which describe the authority and duties of the Remuneration Committee were adopted in 2005 and revised on March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website and the Stock Exchange. A majority of the members of the Remuneration Committee is Independent Non-executive Directors and members of the Committee are listed as below.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

The Remuneration Committee is primarily responsible for the following duties:

- to determine the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts;

- to make 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;

- to review and approve the senior management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

- to perform an advisory role to the Board and to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, with the Board retaining the final authority to approve executive directors' and senior management's remuneration;

- to make recommendations to the Board on the remuneration of independent non-executive directors;

- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive; and

- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

The overriding objective of the remuneration policy is to ensure that the Company is able to attract, retain, and motivate a high-calibre team which is essential to the success of the Company.

The Remuneration Committee will meet at least once each year. Details of attendance are set out below:

Remuneration Committee Members	**Attendance/ Number of Meetings**
Mr. CHEUNG Kin Wai *(Chairman)*	1/1
Mr. NAM Kwok Lun	1/1
Mr. NG Chi Kin David	1/1
Mr. HONG Hui Lung	1/1

During the Period Under Review, the Remuneration Committee reviewed the existing remuneration policies of the Company and considered and approved the performance bonus of the two executive directors and senior management.

Investment Committee

The investment committee of the Company (the "Investment Committee") is established on 25 April 2024 and is composed of four Directors, namely Mr. Lam Kwok Hing (Chairman of the Investment Committee), Mr. Nam Kwok Lun, Ms. Yung Wai Ching and Mr. Hong Hui Lung.

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

The principal functions of the Investment Committee include reviewing, evaluation and subsequent monitoring of any investment project or financial investment activities. The committee has a 2-tier approval structure. For investment project or financial investment activities which are very substantial transactions and connected transactions as defined by the Hong Kong Listing Rules, the Investment Committee will recommend to the Board before proceeding.

The Investment Committee shall meet at least twice per year according to its terms of reference. A Investment Committee meeting was held during the Period Under Review, details of attendance are set out below:

Investment Committee Members	**Attendance/ Number of Meetings**
Mr. LAM Kwok Hing *M.H., J.P. (Chairman)*	1/1
Mr. NAM Kwok Lun	1/1
Ms. YUNG Wai Ching	1/1
Mr. HONG Hui Lung	1/1

BUSINESS STRATEGIES, COMPANY VALUES AND CULTURE

Business Strategies

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

For electroplating equipment segment

Through our brand "PAL", it is our mission to apply electroplating technologies in different applications or business segments so that the Group would grow segment by segment. This strategy would also help us to smooth out any, if not all, cyclical effect in one particular segment or particular market and hence to produce a more stable turnover and profitability level for the benefits of shareholders.

For property investment segment

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

For treasury management segment

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

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

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

Corporate Governance Report

General

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

Company Values and Culture

The Company's values reflect our dedication to deliver good product, excellent services and be accountable to our decision or action taken.

- Integrity: We make responsible decisions based on professional standards
- Innovation: We encourage thoughtful, creative and inspirational ideas
- Teamwork: We build better when we work together
- Accountability: We empower each other to take ownership of our actions

All members within the Company, including the Board members, are abided by the Company's values. The Board will continue to foster corporate culture to ensure that it is aligned with the Company's business strategies and values.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

(i) To develop and review the Group's policies and practices on corporate governance and make recommendations;

(ii) To review and monitor the training and continuous professional development of directors and senior management;

(iii) To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);

(iv) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and

(v) To review the Group's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report.

During the Period Under Review, the Board reviewed the terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, the shareholders' communication policy, shareholder enquiry procedures and special request procedures.

AUDITOR'S REMUNERATION

The Board agrees with the Audit Committee's recommendation for the re-appointment of Messrs. Deloitte Touche Tohmatsu ("Deloitte") as the Group's external auditor for financial year 2025. The recommendation will be presented for the approval of shareholders at the Annual General Meeting to be held on 26 June 2025.

During the year ended 31 December 2024, fees paid/payable to Deloitte and its network firms for providing audit services and non-audit services are as follows:

Nature of services	HK$
Non-audit services	
Review of the unaudited financial statements for the six months ended 30 June 2024	300,000
Services in connection with the circulars of major transactions and very substantial acquisition transaction	880,000
Taxation services fee	193,125
	1,373,125
Audit services	
Statutory audit services for the consolidated financial statements of the Group and separate financial statements of subsidiaries incorporated in Hong Kong	1,530,000
Statutory audit services for a subsidiary incorporated in Taiwan	45,410
	1,575,410
Total audit and non-audit services	2,948,535

The Audit Committee has set (i) three approval levels for the engagement of non-audit services; (ii) a list of pre-approved non-audit services and (iii) a list of prohibited non-audit service. Prior to the engagement of non-audit services with Deloitte, the chief financial officer (or person holding equivalent post) shall make sure only pre-approved non-audit services are engaged and relevant pre-approval is obtained if and where it is applicable. The chief financial officer (or person holding equivalent post) shall report the actual expenses incurred to Audit Committee members annually to ensure the agreed rules are complied with.

COMPANY SECRETARY

Ms. YUNG Wai Ching, the company secretary of the Company whose biography details are set out in the section headed "Directors & Senior Management Profile" in this annual report, confirmed that she had attained no less than 15 hours of relevant professional training during the year ended 31 December 2024.

LIABILITY INSURANCE OF DIRECTORS AND SENIOR MANAGEMENT

The Company has appropriate "Directors and Officers Liability Insurance" in place for its Directors and senior management, in order to safeguard them from any legal and compensation liabilities arising in the course of discharging their duties.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges that it is their responsibilities for:

(i) overseeing the preparation of the consolidated financial statements of the Group with a view to ensuring such consolidated financial statements give a true and fair view of the state of affairs of the Group, and

(ii) selecting suitable accounting policies and applying the selected accounting policies consistently with the support of reasonable and prudent judgment and estimates.

A statement by the auditor about his reporting responsibilities is set out on pages 57 to 59 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective risk management and internal control system, in order to protect the interest of the Group and its shareholders. The risk management and internal control systems are designed to manage rather than eliminate the risks of failure to achieve the Group's business objectives, and can only provide reasonable, but not absolute assurance against material misstatements or losses.

The Group has established an Enterprise Risk Management Framework (the "ERM Framework") in order to implement risk management effectively. Our ERM Framework comprises two key elements: risk management structure and risk management process.

Risk Management Structure

The Board of Directors: The Board has a duty to ensure the effectiveness of the risk management and internal control systems of the Group (the "ERM system"). The Board oversees the ERM system, assess and evaluate the Group's business strategies and risk tolerance. The Board with assistance from the Audit Committee, reviews at least annually the effectiveness of the ERM system, the Board also monitors the ERM system in an on-going manner.

Audit Committee: The Audit Committee has the second highest responsibility for the ERM system after the Board. Audit Committee assists the Board in overseeing the Group's ERM system by providing support and advice, including on-going monitoring of the execution of risk management processes, reviewing the Group's risk register, reviewing and approving the internal control review plan and results.

Management: We select key management members across the Group who are involved in each of the business process as interviewees to identify the risks to form our risk universe. Each risk is assessed in terms of likelihood of occurrence and the significance of impact, taken into account the current internal controls in place to mitigate these risks. Assessment result was reported to the Audit Committee and the Board for the confirmation of our risk response strategies, based on their preferences towards risk, our available resources for risk mitigation and the current controls in place.

Risk Management Process

The ERM Framework defined the procedures for identifying, assessing, responding and monitoring risks and their changes.

- Define risk universe
- Identify risks
- Assess risks identified in terms of likelihood of occurrence and degree of impact
- Define action plans to mitigate risks (if any)
- Monitoring and report changes

In order to identify and prioritize material risks throughout the Group, Management communicates with each operating functions, collect significant risk factors that affect the Group from bottom to top, including strategic, operational, financial, reporting and compliance risks. Having identified all relevant risks, Management assesses the potential impact and possibilities of the risks and prioritize the risks. Appropriate internal control measures are then developed to mitigate the risks identified and the changes of risks in an on-going manner.

Through regular discussion with each operating functions, risk awareness are created amongst the employees. Employees are encouraged to report risks they identified, from their prospective, to the Management. Through this repeated exercise, our ERM System is further enhanced.

Main Features of our Risk Management and Internal Control Systems

On operational level, the management is responsible for maintaining an effective internal control system by

- Establishing clear internal control policies and procedures and to clearly define the responsibilities, authorities and accountabilities of each key positions;
- Establishing code of conduct by explaining the Group's requirements on integrity and ethical value to all staffs;
- Establishing whistle blowing mechanism in order to encourage employees to report incidents of misconduct or fraud;
- Establishing appropriate level of information technology assess rights in order to avoid leakage of price sensitive information; and
- Establishing insider information disclosure policy to define a clear path of reporting channel and to assign a responsible person for disclosure purpose.

On risk-management level, the management communicates with each operating functions and consolidates significant risk factors that might affect the Group. A risk register was maintained to record the risks identified, with assessment of the potential impact and possibilities of occurrence for each risks identified. Based on the assessment, the management will develop appropriate internal control measures to mitigate the risks identified.

During the Period Under Review, the internal auditor has submitted review reports to the Audit Committee. The management has confirmed to the Board the effectiveness of the ERM Framework and ERM System. The Board has reviewed the reports and has considered the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions and was satisfied with their adequacy.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") on 18 April 2019. The Dividend Policy shall take effect retrospectively on 1 January 2019. Details of which are disclosed as follows:

1. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

    (i) the Group's actual and expected financial results;

    (ii) the Group's working capital requirements, capital expenditure requirements and future expansion plans;

    (iii) the Group's liquidity position;

    (iv) retained earnings and distributable reserves of the Company and each of the members of the Group;

    (v) the financial covenants to which the Group is subject and any restrictions on the payment of dividends that may be imposed by the Group's lenders;

    (vi) the general economic and political conditions and other external factors that may have an impact on the future business and financial performance of the Group; and

    (vii) any other factors that the Board may consider relevant.

2. The payment of dividend is also subject to the compliance with applicable laws and regulations, including the laws of Bermuda and the Company's bye-laws.

3. The Board will continue to review the Dividend Policy from time to time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that any dividend will be paid and/or in no way obligate the Company to declare a dividend at any time or from time to time.

SHAREHOLDERS' COMMUNICATION POLICY

The Board is responsible for ensuring shareholders' communications are adequate and appropriate and based on transparency and sound corporate governance principles. The Company adopted a Shareholders' Communication Policy on 1 March 2012 which aims to present a clear, balanced and comprehensive assessment of our financial position and operational status by providing shareholders and other stakeholders with information in a timely and transparent manner. The Company will communicate to shareholders through written information and electronic communication as follows:

- Annual and interim reports
- Disclosures made to the Hong Kong Stock Exchange
- Notice and circular of general meetings
- Annual general meeting, where the external auditor is available to answer questions about the audit
- Corporate website: www.atnt.biz
- Direct enquiry sent to the Company

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting by Shareholders

Pursuant to the Bye-law 58, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the business address of the Company, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. Pursuant to the Bye-law 59, the Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within twenty-one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act of Bermuda.

Putting Forward Proposals at General Meetings

A shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the business address of the Company, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Procedure for Shareholder to propose a candidate for election as a director

Shareholders can refer to the procedure published at the Company's website www.atnt.biz.

Making Enquiry to the Board

Shareholders should direct their questions about their shareholdings to the Company's Registrar, Tricor Investor services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders may send written enquiries, either by post, by facsimiles or by email, together with his/her contact details, such as postal address, email or fax, addressing to the head office of the Company at the following address or facsimile number or via email:

By email to:	info@atnt.biz
By letter to the Company's business address:	Rooms 607-610, 6/F, Tai Yau Building, 181 Johnston Road, Wan Chai
By fax to:	(852) 2664 0717

All enquiries shall be collected by the Company Secretary who shall report to the Executive Directors periodically on the enquiries collected. The Executive Directors shall review the enquiries and assign different kinds of enquiries to appropriate division head/manager for answering. After receiving the answers of all enquiries from the relevant division head/manager, the Company Secretary will collect the answers for the Executive Directors' review and approval. The Company Secretary shall then be authorized by the Executive Directors to reply all enquiries in writing.

INVESTOR RELATIONS

There has been no significant change in the Company's constitutional documents during the year ended 31 December 2024.

LINKAGE BETWEEN CORPORATE GOVERNANCE AND ENVIRONMENAL SOCIAL AND GOVERNANCE

The Board understands the influence of the corporate governance on environmental, social, and governance ("ESG") and we believe that both issues go hand in hand.

We have included in our ESG report, amongst other things, an elaboration of our anti-corruption policy and whistleblowing policy. Copy of 2024 ESG report is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.atnt.biz).

Deloitte. 德勤

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

OPINION

We have audited the 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 60 to 131, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and the significant judgements and estimates involved in the valuation. As disclosed in note 15 to the consolidated financial statements, the Group's investment properties amounted to HK$689,387,000, accounting for approximately 34% of the Group's total assets as at 31 December 2024. The fair value of the Group's investment properties was carried out by an independent qualified valuer and determined by adopting the direct comparison approach with significant unobservable inputs.	Our procedures in relation to the valuation of the investment properties included: • Evaluating the competence, capabilities and objectivity of the independent qualified valuer; • Obtaining the valuation report issued by the independent qualified valuer and holding discussion with management and the independent qualified valuer to understand the performance of the property market and the valuation technique, significant assumptions adopted and key inputs used in the valuation; and • Assessing the reasonableness of the key inputs used by the independent qualified valuer by comparing to available market data.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lam Shu Lung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Revenue	5		
– Contracts with customers		**375,960**	393,328
– Rental income		**13,174**	1,177
– Interest income		**17,961**	25,175
– Dividend income		**12,017**	11,608
		419,112	431,288
Cost of revenue		**(298,305)**	(320,718)
		120,807	110,570
Other gains and losses	6	**5,663**	700
Other income	9	**27,266**	55,959
Selling and distribution costs		**(12,489)**	(12,597)
Administrative expenses		**(75,627)**	(91,910)
Impairment losses under expected credit loss model, net of reversal	9	**1,683**	384,788
Loss on change in fair value of investment properties	15	**(78,054)**	(28,459)
Finance costs	7	**(1,470)**	(3,923)
(Loss) profit before taxation		**(12,221)**	415,128
Taxation	8	**(1,434)**	(111,026)
(Loss) profit for the year	9	**(13,655)**	304,102
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(19,518)**	(7,495)
Total comprehensive (expense) income for the year		**(33,173)**	296,607

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	NOTE	2024 HK$'000	2023 HK$'000
(Loss) profit for the year attributable to:			
Owners of the Company		**(14,100)**	304,179
Non-controlling interests		**445**	(77)
		(13,655)	304,102
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(33,593)**	296,642
Non-controlling interests		**420**	(35)
		(33,173)	296,607
(Loss) earnings per share	11		
Basic		**(HK$0.04)**	HK$0.77

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment	13	**68,514**	75,869
Right-of-use assets	14	**194**	95
Investment properties	15	**689,387**	779,718
Deferred Consideration	16	**102,300**	88,402
Loans receivable	17	**31,788**	41,096
Investments in debt instruments	18	**198,653**	288,799
Interests in associates	19	**–**	–
		1,090,836	1,273,979
Current assets			
Inventories	20	**17,502**	20,671
Loans receivable	17	**–**	6,949
Contract assets	21	**33,448**	64,148
Debtors and prepayments	22	**86,148**	118,439
Investments at fair value through profit or loss ("FVTPL")	23	**209,975**	175,723
Amounts due from associates	24	**154**	104
Taxation recoverable		**1,247**	1,764
Investments in debt instruments	18	**216,789**	336,103
Pledged bank deposit	25	**7,038**	–
Bank deposits	25	**96,618**	–
Bank balances and cash	25	**247,978**	138,133
		916,897	862,034
Current liabilities			
Creditors and accrued charges	26	**124,090**	188,185
Other payables	16, 17	**142,689**	142,689
Contract liabilities	21	**66,609**	83,113
Warranty provision	27	**28,278**	19,918
Lease liabilities	28	**2,442**	2,304
Bank borrowings	29	**36,640**	31,628
Taxation payable		**163,745**	167,241
		564,493	635,078
Net current assets		**352,404**	226,956
Total assets less current liabilities		**1,443,240**	1,500,935

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Capital and reserves			
Share capital	30	**3,827**	3,940
Reserves		**1,408,863**	1,465,132
Equity attributable to owners of the Company		**1,412,690**	1,469,072
Non-controlling interests		**381**	(39)
Total equity		**1,413,071**	1,469,033
Non-current liabilities			
Warranty provision	27	**1,121**	4,190
Lease liabilities	28	**867**	3,206
Deferred tax liabilities	31	**28,181**	24,506
		30,169	31,902
		1,443,240	1,500,935

The consolidated financial statements on pages 60 to 131 were approved and authorised for issue by the Board of Directors on 27 March 2025 and are signed on its behalf by:

LAM KWOK HING
CHAIRMAN AND MANAGING DIRECTOR

NAM KWOK LUN
DEPUTY CHAIRMAN

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company									
	Share capital HK$'000	**Share premium** HK$'000	**Statutory reserve** HK$'000 (note a)	**Currency translation reserve** HK$'000	**Contributed surplus** HK$'000 (note b)	**Capital contribution** HK$'000	**Retained profits** HK$'000	**Subtotal** HK$'000	**Attributable to non-controlling interests** HK$'000	**Total** HK$'000
At 1 January 2023	3,940	26,327	14,336	111,924	17,369	1,206	1,009,147	1,184,249	(4)	1,184,245
Profit (loss) for the year	–	–	–	–	–	–	304,179	304,179	(77)	304,102
Exchange difference arising on translation of foreign operations	–	–	–	(7,537)	–	–	–	(7,537)	42	(7,495)
Total comprehensive (expense) income for the year	–	–	–	(7,537)	–	–	304,179	296,642	(35)	296,607
Dividends (note 12)	–	–	–	–	–	–	(11,819)	(11,819)	–	(11,819)
At 31 December 2023	3,940	26,327	14,336	104,387	17,369	1,206	1,301,507	1,469,072	(39)	1,469,033
(Loss) profit for the year	–	–	–	–	–	–	(14,100)	(14,100)	445	(13,655)
Exchange difference arising on translation of foreign operations	–	–	–	(19,493)	–	–	–	(19,493)	(25)	(19,518)
Total comprehensive (expense) income for the year	–	–	–	(19,493)	–	–	(14,100)	(33,593)	420	(33,173)
Repurchase and cancellation of shares (note 30)	(113)	(756)	–	–	(10,441)	–	–	(11,310)	–	(11,310)
Dividends (note 12)	–	–	–	–	–	–	(11,479)	(11,479)	–	(11,479)
At 31 December 2024	3,827	25,571	14,336	84,894	6,928	1,206	1,275,928	1,412,690	381	1,413,071

Notes:

(a) In accordance with statutory requirements in the People's Republic of China (the "PRC"), certain subsidiaries registered in the PRC are required to transferred a certain percentage of their annual net income from retained profits to the PRC statutory reserve until the statutory funds is accumulated up to 50% of their registered capital. No such transfer was required for the years ended 31 December 2024 and 2023 as the relevant subsidiaries had already transferred up to 50% of their registered capital to statutory reserve.

(b) The contributed surplus arose as a result of the capital restructuring on 23 April 2004.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
OPERATING ACTIVITIES			
(Loss) profit before taxation		**(12,221)**	415,128
Adjustments for:			
Interest income on bank deposits		**(3,974)**	(2,635)
Interest income from investments in debt instruments		**(17,961)**	(25,175)
Dividend income		**(12,017)**	(11,608)
Finance costs		**1,470**	3,923
Depreciation of property, plant and equipment		**6,186**	2,132
Depreciation of right-of-use assets		**71**	874
Allowance for slow moving inventories, net		**1,716**	265
Reversals of impairment losses under expected credit loss model, net		**(1,683)**	(384,788)
Impairment loss of property, plant and equipment	13	**6,222**	–
Loss (gain) on disposal of property, plant and equipment		**104**	(299)
Gain arising from early termination of a lease contract		**–**	(548)
Net change in fair value of investments at FVTPL		**(23,464)**	(12,089)
Loss on change in fair value of investment properties		**78,054**	28,459
Provision for warranty, net of reversal		**12,516**	12,966
Net exchange loss		**4,073**	8,756
Interest income on Deferred Consideration	16	**(14,783)**	(45,764)
Operating cash flows before movements in working capital		**24,309**	(10,403)
Decrease in inventories		**1,795**	6,876
Decrease in contract assets		**34,676**	2,560
Decrease (increase) in loans receivable		**15,999**	(17,629)
Decrease (increase) in debtors and prepayments		**24,250**	(10,687)
Decrease in creditors and accrued charges		**(59,345)**	(31,707)
Utilisation of warranty provision		**(7,225)**	(6,132)
Decrease in contract liabilities		**(16,504)**	(6,518)
Cash from (used in) operations		**17,955**	(73,640)
Income tax paid		**(715)**	(16,049)
Interest income received from investments in debt instruments		**23,370**	26,802
Dividend income received		**12,017**	11,608
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**52,627**	(51,279)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	NOTE	**2024**	2023
		HK$'000	HK$'000
INVESTING ACTIVITIES			
Return of security money in respect of Deferred Consideration		**–**	(200,000)
Receipts of penalty interest in respect of Deferred Consideration		**–**	23,838
Net cash inflows from acquisitions of subsidiaries	40	**–**	1,301
Transaction costs paid associated with Deferred Consideration		**(2,988)**	(21,799)
Investments in debt instruments		**(546,301)**	(318,401)
Proceeds from redemption of investments in debt instruments		**749,435**	211,118
Withdrawal of bank deposits		**–**	554,348
Placement of bank deposits		**(96,618)**	(282,418)
Interest received		**3,974**	1,769
Purchase of property, plant and equipment		**(6,060)**	(7,544)
Proceeds from disposal of property, plant and equipment		**39**	299
Additions of investments at FVTPL		**(12,759)**	(1,309)
Proceeds from disposals of investments at FVTPL		**1,971**	8,138
Placement of pledged bank deposit		**(7,038)**	–
Account balances placed with the broker, net		**2,495**	(4,397)
Advance to an associate		**(50)**	(21)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**86,100**	(35,078)
FINANCING ACTIVITIES			
Proceeds from bank borrowings		**21,080**	114,750
Repayment of bank borrowings		**(16,068)**	(114,963)
Interest paid		**(1,470)**	(2,005)
Repayment of lease liabilities		**(2,311)**	(2,371)
Repurchase of shares		**(11,310)**	–
Dividend paid		**(11,479)**	(11,819)
NET CASH USED IN FINANCING ACTIVITIES		**(21,558)**	(16,408)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**117,169**	(102,765)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**138,133**	243,624
EFFECT ON FOREIGN EXCHANGE RATE CHANGES		**(7,324)**	(2,726)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash		**247,978**	138,133

1. GENERAL INFORMATION

Asia Tele-Net and Technology Corporation Limited (the "Company") is incorporated in Bermuda under The Companies Act 1981 of Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The ultimate controlling shareholder is Mr. Lam Kwok Hing. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

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

The Company is an investment holding company and the details of principal activities of its principal subsidiaries are set out in note 38.

Certain comparative figures of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows have been re-presented to conform with the current year presentation.

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

Amendments to HKFRSs that are effective for the current year

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

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

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss, provide disclosures on management-defined performance measures (MPMs) in the notes to the consolidated financial statements, and improve aggregation and disaggregation. The application of HKFRS 18, and amendments to other standards, is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Other than the above, the directors of the Company anticipate that the application of the other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

The consolidated financial statements have been prepared on the historical cost basis except for certain buildings and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies set out below.

3. **MATERIAL ACCOUNTING POLICY INFORMATION** *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from contracts with customers *(Continued)*

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments* ("HKFRS 9"). In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost or revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Advantage has been taken of the transitional relief provided by paragraph 80AA of HKAS 16 *Property, Plant and Equipment* from the requirement to make regular revaluations of the Group's buildings which had been revalued prior to 30 September 1995. Prior to 30 September 1995, the revaluation increase arising on the revaluation of these assets was credited to the property revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the corresponding revaluation surplus is transferred to retained profits.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Property, plant and equipment *(Continued)*

Depreciation is recognised so as to write off the cost or revaluation of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of currency translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefits scheme/state-managed retirement benefits schemes/the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets and financial liabilities are initially measured at fair value except for trade debtors arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the net carrying amount on initial recognition.

Interest and dividend income which are derived from the Group's ordinary business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period.

All other financial assets are subsequently measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset and is included in the "other gains and losses" line item.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade debtors, Deferred Consideration, loans receivable, investments in debt instruments, other debtors, amounts due from associates, bank deposits and bank balances), and other items (contract assets and loan commitment) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade debtors and contract assets. ECL on these assets are assessed individually by reference to past default experience and current past due exposure of the debtor, and an analysis of the debtor's current financial position taking into consideration of forward-looking information that is available without undue costs or effort.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For the loan commitment, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates. In making this assessment, the Group considers reasonable and supportable information that is available without undue cost or effort, for example an actual or expected significant change in the external credit rating or the operating results of the borrower or other market information related to the borrower such as changes in the price of a borrower's debt instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an external credit rating of "investment grade" as per globally understood definitions.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For undrawn loan commitment, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

The measurement of ECL is a function of probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade debtors and loans receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including creditors and accrued charges, other payables and bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of custom-built electroplating machinery and other industrial machinery are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Impairment losses of property, plant and equipment

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition on contract works over time

Control of the asset is transferred over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgment is required in determining whether the terms of the Group's contracts with customers in relation to contract works with no alternative use to the Group will create an enforceable right to payment for performance completed to date for the Group. The Group has considered the terms of the relevant contracts and opinion from external legal counsel. Based on the assessment by the Group's management, there is an enforceable right to payment in respect of the contracts for design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery entered into by the Group. Accordingly, such revenue is recognised over time.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out as below.

Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. Fair value of investment properties is derived by direct comparison approach. The determination of the fair value involves certain inputs and estimates of market conditions which are set out in note 15. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to profit or loss. As at 31 December 2024, the carrying amount of the Group's investment properties is HK$689,387,000 (2023: HK$779,718,000).

Revenue recognition on contract works over time

Revenue from contract works in respect of design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery, which is individually built based on customer's order and unique specifications, is recognised using input method, which is to recognise revenue on the basis of the Group's actual efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. Accordingly, revenue recognition involves estimates being made to the actual inputs and the total expected inputs to the satisfaction of that performance obligation. Any change to the total expected inputs to the satisfaction of that performance obligation may have material impact on the contract revenue recognised in each accounting period over the contract term. The revenue from contract works amounted to HK$299,509,000 (2023: HK$319,373,000) for the year ended 31 December 2024.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

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

Performance obligations for contracts with customers

The Group recognises revenue from the following sources:

(a) *Sales of custom-built electroplating machinery and other industrial machinery to customers*

The Group designs and sells custom-built electroplating machinery and other industrial machinery under contracts with customers. Such contracts are entered into before construction of the machinery begins. The machinery are tailor-made with customers' specification which does not have alternative use to the Group and the Group is entitled to payment for work performed up to date. The Group considers the design, manufacturing and installation of machinery, and the final acceptance by the customer, is as a single performance obligation under the relevant contract with a customer. Revenue from construction of custom-built electroplating machinery and other industrial machinery is recognised over time using input method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that the input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under HKFRS 15. The Group applies the practical expedient of expensing all incremental costs, for example sales commission, to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Revenue from contracts with customers *(Continued)*

Performance obligations for contracts with customers *(Continued)*

(a) Sales of custom-built electroplating machinery and other industrial machinery to customers (Continued)

The Group is entitled to invoice customers for construction of custom-built electroplating machinery and other industrial machinery based on achieving a series of performance-related milestones. Each contract work will normally involve two to six milestone payments, namely deposit payment (before commencement of construction work), shipment payment, arrival payment, installation completion payment, trial production payment and acceptance payment. The Group allows a general credit period of one to two months for the invoiced milestone payments. The Group recognises a contract asset for any work performed. When a particular milestone is achieved, the Group will send to the customer an invoice for the related milestone payment in accordance with the agreed milestone payments as specified in the purchase order or contract. Any amount previously recognised as a contract asset is reclassified to trade debtors at the point upon the achievement of the particular milestone. If the milestone payment exceeds the revenue recognised to date under the input method, the Group recognises a contract liability for the difference. Warranties associated with the custom-built electroplating machinery and other industrial machinery cannot be purchased separately and they serve as an assurance that the products will comply with agreed-upon specifications. Accordingly, the Group accounts for warranties as provisions.

(b) Sales of spare parts of electroplating machinery

Revenue from sales of spare parts of electroplating machinery to the customers is recognised when control of the goods has transferred on receipt by the customer. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Group allows a general credit period of one to two months for the amount invoiced. The customers do not have the right of return/exchange for dissimilar goods.

(c) Provision of services – repairs, maintenance and modification

The Group provides services for repairs, maintenance and modification. Such services are recognised as a performance obligation satisfied over time as the Group's performance enhances an asset that the customer controls as the Group performs. Revenue is recognised for those services based on the stage of completion of the contract using input method.

The Group requires the deposit before the commencement of the relevant services for certain contracts. This would give rise to contract liabilities at the start of a contract until the revenue recognised on the relevant contract exceeds the amount of the deposit received.

The Group is entitled to invoice the customer in accordance with the relevant contracts and the Group allows a general credit period of one to two months for the amount invoiced.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Revenue from contracts with customers *(Continued)*

Transaction price allocated to the remaining performance obligations for contracts with customers

All contracts with customers with unsatisfied performance obligations, including contracts relating to design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery, contracts for provision of services in relation to repairs, maintenance and modification and sales of spare parts of electroplating machinery at 31 December 2024 and 2023 have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Segment information

Segment revenue and results

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

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results excludes central corporate expenses including directors' emoluments, interest income from and impairment losses for loans receivable, provision for performance related incentive payments and depreciation for certain property, plant and equipment. This is the measure reported to the chief operating decision maker in order to assess segment performance.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment assets and liabilities

	Segment assets		Segment liabilities	
	2024 **HK$'000**	2023 HK$'000 (restated)	**2024** **HK$'000**	2023 HK$'000 (restated)
Electroplating equipment	**133,997**	194,085	**212,333**	270,743
Property investment	**862,691**	937,620	**362,774**	383,670
Treasury management	**633,072**	816,090	**6,379**	51
Total segment assets/liabilities	**1,629,760**	1,947,795	**581,486**	654,464
Unallocated corporate assets/liabilities	**377,973**	188,218	**13,176**	12,516
Consolidated assets/liabilities	**2,007,733**	2,136,013	**594,662**	666,980

Segment assets and segment liabilities comprise total assets (excluding unallocated corporate assets that include loans receivables, bank balances and cash, bank deposits; and prepayments, other receivables, property, plant and equipment at corporate level) and total liabilities (excluding unallocated corporate liabilities that include other payables at corporate level) of each segment, respectively.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Other segment information

31 December 2024

	Electroplating equipment HK$'000	Property investment HK$'000	Treasury management HK$'000	Unallocated HK$'000	Total HK$'000
Amounts of income (expense) included in the measure of segment results:					
Reversals of impairment loss (impairment losses) under ECL model, net	2,917	1,277	(2,253)	(258)	1,683
Allowance for slow moving inventories	(1,716)	–	–	–	(1,716)
Loss on disposal of property, plant and equipment	(104)	–	–	–	(104)
Depreciation	(2,176)	(2,920)	–	(1,090)	(6,186)
Provision for warranty, net of reversal	(12,516)	–	–	–	(12,516)
Net change in fair value of investments at FVTPL	–	–	23,464	–	23,464
Impairment of property, plant and equipment	–	(6,222)	–	–	(6,222)
Loss on change in fair value of investment properties	–	(78,054)	–	–	(78,054)
Interest income (included in other income)	–	(14,783)	(3,974)	(2,391)	(21,148)
Finance costs	191	1,202	77	–	1,470

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Other segment information *(Continued)*

31 December 2023 (restated)

	Electroplating equipment HK$'000	Property investment HK$'000	Treasury management HK$'000	Unallocated HK$'000	Total HK$'000
Amounts of income (expense) included in the measure of segment results:					
(Impairment losses) reversals of impairment loss under ECL model, net	(5,021)	395,911	(1,927)	(4,175)	384,788
Allowance for slow moving inventories	(265)	–	–	–	(265)
Gain on disposal of property, plant and equipment	299	–	–	–	299
Depreciation	(388)	(1,168)	–	(576)	(2,132)
Provision for warranty, net of reversal	(12,966)	–	–	–	(12,966)
Net change in fair value of investments at FVTPL	–	–	12,089	–	12,089
Loss on change in fair value of investment properties	–	(28,459)	–	–	(28,459)
Interest income (included in other income)	–	(45,764)	(2,635)	(2,106)	(50,505)
Finance costs	500	157	1,348	1,918	3,923

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Geographical information

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

		2024 HK$'000	2023 HK$'000
(a)	***Electroplating equipment***		
	PRC	**108,017**	166,281
	Korea	**69,339**	56,826
	Mexico	**27,168**	53,408
	The United States of America	**45,126**	39,214
	Philippines	**44,167**	23,137
	The United Kingdom	**48,511**	11,146
	Taiwan	**10,477**	9,867
	Others	**23,155**	33,449
		375,960	393,328
(b)	***Property investment***		
	PRC	**8,500**	504
	Hong Kong	**4,674**	673
		13,174	1,177
(c)	***Treasury management***		
	Hong Kong	**29,978**	36,783

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

	2024 HK$'000	2023 HK$'000
Hong Kong	**169,702**	197,953
PRC	**588,393**	657,729
	758,095	855,682

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Information about major customers

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

	2024 HK$'000	2023 HK$'000
Customer A	**58,676**	52,879
Customer B	**N/A***	43,735

* Less than 10% of the Group's total revenue during that year

6. OTHER GAINS AND LOSSES

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

7. FINANCE COSTS

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

8. TAXATION

	2024 **HK$'000**	2023 HK$'000
Hong Kong Profits Tax	**105**	1,400
Tax outside Hong Kong	**1,024**	167,558
PRC withholding tax	**–**	5,643
Overprovision in prior years	**(3,910)**	–
	(2,781)	174,601
Deferred tax charge (credit) (note 31)	**4,215**	(63,575)
	1,434	111,026

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

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

Taxation for the year is reconciled to (loss) profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **HK$'000**	2023 HK$'000
(Loss) profit before taxation	**(12,221)**	415,128
Taxation at tax rate of 16.5% (2023: 16.5%)	**(2,016)**	68,496
Tax effect of expenses not deductible for tax purpose	**2,703**	2,826
Tax effect of income not taxable for tax purpose	**(2,531)**	(1,369)
Tax effect of tax losses not recognised	**3,714**	16,069
Tax effect of utilisation of tax losses previously not recognised	**(13,704)**	(5,185)
Tax effect of deductible temporary differences not recognised	**18,350**	6,993
Withholding tax for income derived from a PRC subsidiary	**–**	(5,643)
Overprovision in prior years	**(3,910)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,172)**	28,839
Taxation for the year	**1,434**	111,026

9. (LOSS) PROFIT FOR THE YEAR

	2024 HK$'000	2023 HK$'000
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,530**	1,530
Cost of inventories recognised as expenses (note i)	**210,503**	217,713
Direct outgoings for investment properties	**2,503**	2,884
Depreciation of property, plant and equipment	**6,186**	2,132
Depreciation of right-of-use assets	**71**	874
Staff costs:		
Directors' fee (note 10)	**300**	300
Directors' salaries and other benefits (note 10)	**14,178**	13,200
Provision for performance related incentive payments (note 10)	**–**	16,081
Salaries and allowances	**90,629**	89,217
Contributions to retirement benefits schemes	**1,469**	1,642
	106,576	120,440
Impairment losses (reversals of impairment losses) for financial assets and contract assets, net:		
– trade debtors	**1,059**	(212)
– contract assets	**(3,976)**	5,233
– loans receivable	**258**	4,175
– investments in debt instruments	**2,253**	1,927
– Deferred Consideration	**(1,277)**	(395,911)
	(1,683)	(384,788)
Interest income from financial assets at amortised cost (included in other income):		
– loans receivable	**(2,391)**	(2,106)
– Deferred Consideration (note 16)	**(14,783)**	(45,764)
– bank deposits	**(3,974)**	(2,635)
	(21,148)	(50,505)
Government grants (included in other income)	**(16)**	(17)

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

10. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the six (2023: five) directors are as follows:

	Executive directors			Independent non-executive directors				
	Lam Kwok Hing HK$'000	Nam Kwok Lun HK$'000	Yung Wai Ching HK$'000 (Note i)	Kwan Wang Wai, Alan HK$'000 (Note ii)	Cheung Kin Wai HK$'000	Ng Chi Kin, David HK$'000	Hong Hui Lung HK$'000 (Note iii)	Total HK$'000
2024								
Other emoluments								
Salaries and other benefits	**8,400**	**4,800**	**978**	**–**	**–**	**–**	**–**	**14,178**
Performance related incentive payments	**8,000**	**2,000**	**–**	**–**	**–**	**–**	**–**	**10,000**
Contributions to retirement benefits schemes	**18**	**17**	**9**	**–**	**–**	**–**	**–**	**44**
Fees	**–**	**–**	**–**	**–**	**100**	**100**	**100**	**300**
Total emoluments	**16,418**	**6,817**	**987**	**–**	**100**	**100**	**100**	**24,522**
2023								
Other emoluments								
Salaries and other benefits	8,400	4,800	–	–	–	–	–	13,200
Performance related incentive payments	16,000	4,000	–	–	–	–	–	20,000
Contributions to retirement benefits schemes	18	18	–	–	–	–	–	36
Fees	–	–	–	46	100	100	54	300
Total emoluments	24,418	8,818	–	46	100	100	54	33,536

Notes:

i. Yung Wai Ching was appointed as an executive director on 24 June 2024.

ii. Kwan Wang Wai Alan was resigned as an independent non-executive director on 19 June 2023.

iii. Hong Hui Lung was appointed as an independent non-executive director on 19 June 2023.

The executive directors' emoluments shown above were mainly for the services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for the services as directors of the Company.

Mr. Lam Kwok Hing is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

No compensation was paid to the above directors of the Company during the current year and prior year for the loss of office as a director or as an inducement to join or upon joining the Company. None of the above directors of the Company has waived any emoluments during the current and prior years.

10. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS *(Continued)*

The above table showing the emoluments paid or payable to the directors for the years ended 31 December 2024 and 31 December 2023 reflects the actual payment of performance bonus made to the respective directors.

During the current year, the performance related incentive payments of which provision was made in the prior years, amounting to HK$12,000,000 (2023: HK$22,000,000) was paid, of which HK$10,000,000 (2023: HK$20,000,000) was paid to directors and HK$2,000,000 (2023: HK$2,000,000) was paid to another member of key management as instructed by the respective director.

As actual allocation for the accrued performance bonus as at the end of the reporting period between the two individual executive directors, amounted to HK$10,072,000 (2023: HK$22,072,000) are not yet finalised at the end of the respective reporting periods, and therefore the table above does not include such amount. As a preliminary plan, the provision for performance related incentive payments at 31 December 2024 is expected to be paid in next year. After payment is made or allocation is determined by the Remuneration Committee, further disclosure of the payment of this performance bonus will be made in the coming years' annual report.

Of the five individuals with the highest emoluments in the Group, two were directors including chief executive of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining three individuals are as follows:

	2024 **HK$'000**	2023 HK$'000
Salaries and other benefits	**3,498**	3,000
Performance related incentive payments	**7,000**	7,000
Contributions to retirement benefits schemes	**45**	54
	10,543	10,054

The table above showing the emoluments paid or payable to the five individuals with the highest emoluments in the Group for the year ended 31 December 2024 and 31 December 2023 that reflects the actual payment of the performance bonus made.

10. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Their emoluments are within the following bands:

	Number of employees	
	2024	2023
HK$1,000,001 – HK$1,500,000	**1**	1
HK$2,500,001 – HK$3,000,000	**–**	1
HK$3,000,001 – HK$3,500,000	**1**	–
HK$5,500,001 – HK$6,000,000	**1**	1

No compensation was paid to the above individuals during the current year and prior year for the loss of office as a director or as an inducement to join or upon joining the Company.

11. (LOSS) EARNINGS PER SHARE

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

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

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

12. DIVIDENDS

	2024 **HK$'000**	2023 HK$'000
Final dividend paid in respect of year ended 31 December 2023 (2023: year ended 31 December 2022) of HK$0.02 (2023: HK$0.02) per share	**7,653**	7,879
Interim dividend paid in respect of six months ended 30 June 2024 (2023: six months ended 30 June 2023) of HK$0.01 (2023: HK$0.01) per share	**3,826**	3,940
	11,479	11,819

A final dividend of HK$0.02 (2023: HK$0.02) in respect of the year ended 31 December 2024 per share, in an aggregate amount of HK$7,653,000 (2023: HK$7,879,000), has been proposed by the directors of the Company and is subject to the approval by the shareholders at the forthcoming general meeting.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Furniture and fixtures and leasehold improvements HK$'000	Plant, machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST OR VALUATION					
At 1 January 2023	83,841	30,628	52,309	22,344	189,122
Currency realignment	–	(161)	(212)	(75)	(448)
Additions	–	5,514	1,347	683	7,544
Additions associated with Deferred Consideration (note 16)	40,174	–	–	–	40,174
Disposals	–	(20)	(5,192)	(694)	(5,906)
At 31 December 2023	124,015	35,961	48,252	22,258	230,486
Currency realignment	(860)	(159)	(110)	(79)	(1,208)
Additions	–	1,168	2,676	2,216	6,060
Disposals	–	–	(544)	(191)	(735)
At 31 December 2024	123,155	36,970	50,274	24,204	234,603
COMPRISING					
At cost	87,443	36,970	50,274	24,204	198,891
At valuation – 31 March 1992	35,712	–	–	–	35,712
	123,155	36,970	50,274	24,204	234,603
DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	54,674	30,628	52,209	21,290	158,801
Currency realignment	–	(123)	(212)	(75)	(410)
Provided for the year	1,168	225	183	556	2,132
Eliminated on disposals	–	(20)	(5,192)	(694)	(5,906)
At 31 December 2023	55,842	30,710	46,988	21,077	154,617
Currency realignment	(29)	(49)	(187)	(79)	(344)
Provided for the year	2,884	1,319	562	1,421	6,186
Impairment	6,222	–	–	–	6,222
Eliminated on disposals	–	–	(544)	(48)	(592)
At 31 December 2024	64,919	31,980	46,819	22,371	166,089
CARRYING AMOUNTS					
At 31 December 2024	58,236	4,990	3,455	1,833	68,514
At 31 December 2023	68,173	5,251	1,264	1,181	75,869

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis after taking into account the residual values at the following rates per annum:

Leasehold land and buildings	over the shorter of 20-50 years or the term of the lease
Furniture and fixtures and leasehold improvements	25% or over the shorter of 25% or the term of the lease
Plant, machinery and equipment	$12\frac{1}{2}$% to $33\frac{1}{3}$%
Motor vehicles	$33\frac{1}{3}$%

With regards to the prevailing condition of the property market in the PRC, the Group has performed an impairment assessment of the office premises in the PRC which are classified as property, plant and equipment and allocated to property investment segment. At 31 December 2024, the recoverable amount of the buildings amounted to HK$31,405,000 which is based on its fair value less costs of disposal. Accordingly, impairment loss amounting to HK$6,222,000 is recognised in profit or loss. The fair value of the properties are determined based on comparable market transactions that are categorised within level 3 of the fair value hierarchy.

14. RIGHT-OF-USE ASSETS

	Leased properties	
	2024	2023
	HK$'000	HK$'000
At 31 December		
Carrying amount	**194**	95
For the year ended 31 December		
Additions	**168**	8,669
Depreciation	**71**	874
Expenses relating to short-term leases	**119**	5,861
Expenses relating to leases of low-value assets	**–**	76
Total cash outflows for leases	**2,621**	8,773

The Group leases various factory premises and staff quarters for its operations. Lease contracts are entered into for fixed term of three to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

15. INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
FAIR VALUE		
At 1 January	**779,718**	–
Additions associated with Deferred Consideration (note 16) and related transaction costs	**–**	629,720
Additions through acquisitions of subsidiaries (notes 16 and 40) and related transaction costs	**–**	175,440
Currency realignment	**(12,277)**	3,017
Net decrease in fair value recognised in profit or loss	**(78,054)**	(28,459)
At 31 December	**689,387**	779,718

The fair value of the Group's investment properties as at 31 December 2024 and 2023 have been arrived at on the basis of valuations carried out on that date by Avista Valuation Advisory Limited, an independent qualified valuer not connected with the Group, were arrived at by adopting the direct comparison approach as data available in the market to assess the market value of the investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The direct comparison approach estimates the values of the properties based on the recent transaction prices for similar properties adjusted for nature, location and condition of the property.

The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes through holding discussion with the independent qualified valuer and assessing the property valuations movements when compared to the prior year valuation report. The results of the valuation are reported directly to the management of the Group.

15. INVESTMENT PROPERTIES *(Continued)*

Investment properties held by the Group	Fair value at 31 December 2024 HK$'000	Fair value at 31 December 2023 HK$'000	Valuation technique	Significant unobservable inputs	Relationship
Office properties in Hong Kong	**138,550**	168,515	Direct comparison approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from approximately HK$6,700 to HK$16,200 (2023: HK$8,000 to HK$21,700) per square feet.	An increase in the market unit rate used would result in an increase in fair value, and vice versa.
Retail properties in the PRC	**205,326**	226,442	Direct comparison approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from approximately RMB70,000 to RMB85,000 (2023: RMB74,000 to RMB89,000) per square metre ("sqm").	An increase in the market unit rate used would result in an increase in fair value, and vice versa.
Office properties in the PRC	**345,511**	384,761	Direct comparison approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from approximately RMB24,000 to RMB27,000 (2023: RMB24,000 to RMB30,000) per sqm.	An increase in the market unit rate used would result in an increase in fair value, and vice versa.
	689,387	779,718			

The fair value measurement is categorised into Level 3 fair value hierarchy and there were no transfers into or out of Level 3 during the year.

As at 31 December 2024, the Group's investment properties amounted to HK$70,950,000 (2023: HK$91,115,000) have been pledged to secure banking facilities granted to the Group.

16. DEFERRED CONSIDERATION

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

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

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

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

As at 31 December 2024 and 2023, the Deferred Consideration is expected to be recovered after more than one year and accordingly is classified as non-current assets.

17. LOANS RECEIVABLE

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

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

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

As at 31 December 2024, impairment losses under ECL model of loans receivable of HK$9,866,000 (2023: HK$9,608,000) are recognised. Details of the impairment assessment of loans receivable are set out in note 35.

18. INVESTMENTS IN DEBT INSTRUMENTS

Amount represents investments in listed bonds quoted in over-the-counter market. The bond investments are unsecured, carry annual coupon at 0% to 8% (2023: 2.8% to 8%) and mature in January 2025 to February 2033 (2023: January 2024 to February 2033). The investments are held within a business model whose objective is to hold the debt instruments in order to collect contractual cash flows and the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and therefore are subsequently measured at amortised cost.

Subsequent to the end of the reporting period, debt instruments with an aggregate carrying amount of HK$109,000,000 has been matured and settled in full.

19. INTERESTS IN ASSOCIATES

	2024 & 2023 **HK$'000**
Cost of investments in associates	
Unlisted	**3,627**
Share of post-acquisition results, net of dividend received	**(1,918)**
Less: Impairment provided	**(1,709)**
Share of net assets	**–**

Details of the Group's associates as at 31 December 2024 and 2023 are as follows:

Name of associates	**Form of business structure**	**Place of incorporation**	**Proportion of nominal value of issued capital held by the Group indirectly**		**Principal activities**
			2024	2023	
Asia Vigour (Holdings) Limited	Incorporated	British Virgin Islands	**49%**	49%	Investment holding
Process Automation (Sea) Pte Limited	Incorporated	Singapore	**36%**	36%	Sale of electroplating machines and spare parts

The current year and cumulative unrecognised share of losses of associates is insignificant.

20. INVENTORIES

	2024 HK$'000	2023 HK$'000
Raw materials	**17,502**	20,671

21. CONTRACT ASSETS/LIABILITIES

	2024 HK$'000	2023 HK$'000
Contract assets – current		
Contract works in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery	**33,448**	64,148
Contract liabilities – current		
Contract works in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery	**57,195**	70,067
Provision of services – repairs, maintenance and modification	**9,414**	13,046
	66,609	83,113

At 1 January 2023, contract assets and contract liabilities amounted to HK$71,941,000 and HK$89,631,000 respectively. The decrease in contract assets and contract liabilities during the current year is due to the decrease in number of ongoing projects during the current year.

Typical payment terms which impact on the amount of contract assets and contract liabilities recognised are as follows:

Contract works in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery

The Group's contract works include payment schedules which require milestone payments over the construction period once certain specified milestones are reached. The Group requires customers to provide upfront deposits as part of its credit risk management policies. The Group typically transfers the milestone payments to trade debtors when it becomes unconditional. The Group is entitled to receive the final acceptance payment upon the final acceptance of the completion of contract works by customers. The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle. Details of the impairment assessment of contract assets are set out in note 35.

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

21. CONTRACT ASSETS/LIABILITIES *(Continued)*

Provision of services – repairs, maintenance and modification

The Group requires customers to provide upfront deposit before the commencement of the relevant services for certain contracts, this gives rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

The following table shows the amount of the revenue recognised during the year that was included in contract liabilities at the beginning of the year.

	2024	2023
	HK$'000	HK$'000
Contract works	**63,441**	68,881
Provision of services	**12,730**	5,284

22. DEBTORS AND PREPAYMENTS

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

As at 31 December 2024, the trade debtors balance include trade debts due from associates of HK$2,377,000 (2023: HK$5,438,000).

As at 1 January 2023, trade debtors from contracts with customers amounted to HK$40,157,000 (net of allowance for credit losses of HK$1,897,000).

The Group allows a general credit period of one to two months to its customers.

22. DEBTORS AND PREPAYMENTS *(Continued)*

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

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

As at 31 December 2024, excluding credit-impaired trade debtors balance, included in the Group's trade debtors balance are debtors with gross amount of HK$13,573,000 (2023: HK$26,483,000) with allowance for credit losses of HK$70,000 (2023: HK$206,000) in aggregate which are past due as at the reporting date. Out of the past due balances, HK$508,000 (2023: HK$1,321,000) with allowance for credit losses of HK$9,000 (2023: HK$145,000) has been past due 90 days or more and is not considered as in default as these customers have a good business relationship with the Group with satisfactory settlement history of recurring overdue records and no history of default of these relevant customers. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade debtors are set out in note 35.

23. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at FVTPL as at 31 December 2024 and 2023 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.

24. AMOUNTS DUE FROM ASSOCIATES

Amounts due from associates are of non-trade nature and are unsecured, non-interest-bearing and repayable on demand.

25. PLEDGED BANK DEPOSIT, BANK DEPOSITS AND BANK BALANCES

As at 31 December 2024, bank deposits represent time deposits denominated in RMB, USD and GBP, which are held for investment purposes, carry fixed interest ranging from 1.3% to 4.8% (2023: nil) per annum.

Pledged bank deposit and bank balances carry interest at market rates ranging from 0.001% to 1.73% per annum (2023: 0.001% to 1.73% per annum).

26. CREDITORS AND ACCRUED CHARGES

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

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

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

The average credit period on purchase of goods is 60-180 days.

27. WARRANTY PROVISION

	HK$'000
At 1 January 2024	**24,108**
Change in provision during the year	**12,516**
Utilisation of provision	**(7,225)**
At 31 December 2024	**29,399**
Analysed for reporting purposes as:	
Current	**28,278**
Non-current	**1,121**
	29,399

The warranty provision represents the management's best estimation of the Group's liability under one to two years warranty granted on electroplating products, based on prior experience and industry averages for defective products.

28. LEASE LIABILITIES

	2024 HK$'000	2023 HK$'000
Lease liabilities payable:		
– within a period not exceeding one year	**2,442**	2,304
– within a period of more than one year but not exceeding two years	**605**	2,375
– within a period of more than two years but not exceeding five years	**262**	831
	3,309	5,510
Less: Amount due for settlement within 12 months shown under current liabilities	**(2,442)**	(2,304)
Amount due for settlement after 12 months shown under non-current liabilities	**867**	3,206

29. BANK BORROWINGS

	2024 HK$'000	2023 HK$'000
Bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):		
– within one year	**7,762**	1,306
– within a period of more than one year but not exceeding two years	**1,482**	1,361
– within a period of more than two years but not exceeding five years	**4,749**	4,417
– within a period of more than five years	**22,647**	24,544
	36,640	31,628
Less:		
Amounts that contain a repayment on demand clause	**(30,312)**	(31,628)
Amounts that are repayable within one year and without a repayment on demand clause	**(6,328)**	–
Amounts shown under current liabilities	**(36,640)**	(31,628)
Amounts shown under non-current liabilities	**–**	–

At 31 December 2024 and 2023, bank borrowing amounting to HK$30,312,000 (2023: HK$31,628,000) carries annual interest at the lower of Hong Kong Interbank Offered Rate plus 1.8% or Hong Kong Dollar Prime Rate minus 2.2%, and is secured by the Group's investment properties in Hong Kong. The remaining bank borrowing is denominated in RMB, carries fixed interest rate at 3.6% per annum and unsecured.

30. SHARE CAPITAL

	Number of shares	Amount HK$'000
Shares of HK$0.01 each		
Authorised:		
At 1 January 2023, 31 December 2023 and 31 December 2024	20,000,000,000	200,000
Issued and fully paid:		
At 1 January 2023 and 31 December 2023	393,953,400	3,940
Shares repurchased and cancelled	(11,320,000)	(113)
At 31 December 2024	382,633,400	3,827

During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of shares	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration paid (including transaction costs) HK$'000
January 2024	11,320,000	0.92	1.00	11,310

The above ordinary shares were cancelled. None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current year.

31. DEFERRED TAXATION

Deferred tax liabilities and deferred tax assets are offset for financial reporting purposes.

	Deferred Consideration	Withholding taxes	Impairment losses on assets	Accelerated tax depreciation	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	82,154	8,395	(392)	45	90,202
Charge to profit or loss (note 8)	110,419	–	–	–	110,419
Transfer to current tax	(168,351)	(5,643)	–	–	(173,994)
Currency realignment	(2,121)	–	–	–	(2,121)
At 31 December 2023	22,101	2,752	(392)	45	24,506
Charge to profit or loss (note 8)	4,015	–	–	200	4,215
Currency realignment	(540)	–	–	–	(540)
At 31 December 2024	25,576	2,752	(392)	245	28,181

In measuring the deferred tax arising from changes in fair value of investment properties, the directors of the Company have determined the presumption that the carrying amounts of investment properties measured at fair value are recovered entirely through sale is rebutted.

At 31 December 2024, the Group had estimated unused tax losses and deductible temporary differences relating to asset impairment and loss in fair value of investment properties of HK$513,893,000 (2023: HK$574,438,000) and HK$126,747,000 (2023: HK$42,471,000) respectively available for offset against future profits. No deferred tax asset has been recognised due to the uncertainty of future profits streams. The tax losses may be carried forward indefinitely.

Deferred tax on withholding tax is provided based on the expectation of distribution of earnings of the PRC subsidiary. Deferred tax has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to the undistributed profits after 1 January 2008 amounting to HK$10,436,000 (2023: HK$3,706,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

32. OPERATING LEASE ARRANGEMENTS

The Group leases out certain office properties in Hong Kong, and office and retail properties in the PRC under operating leases with rentals payable monthly. The leases typically run for an initial period of 6 months to 15 years (2023: 2 to 12 years), with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend. During the current year, revenue from operating leases amounted to HK$13,174,000 (2023: HK$1,177,000) is recognized. Included in the amount is HK$410,000 (2023: nil) that relates to the variable lease payments determined based on the revenue generated by the lessees for certain retail units.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

Undiscounted lease payment receivables on leases are as follows:

	2024 **HK$'000**	2023 HK$'000
Within one year	**12,120**	10,378
In the second year	**9,921**	7,539
In the third year	**6,633**	6,558
In the fourth year	**5,988**	5,148
In the fifth year	**4,977**	3,111
Over five years	**41,362**	11,672
	81,001	44,406

33. PLEDGE OF ASSETS

As at 31 December 2024, the Group's bank deposits and investment properties amounting to HK$7,038,000 (2023: nil) and HK$70,950,000 (2023: HK$91,115,000), respectively, were pledged to the bank for securing banking facilities to the Group.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged for both years.

The capital structure of the Group consists of debt comprising bank borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares or share buy-backs as well as addition or repayment of borrowings.

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2024 **HK$'000**	2023 HK$'000
Financial assets		
Amortised cost	**971,984**	974,696
FVTPL	**209,975**	175,723
Financial liabilities		
Amortised cost	**275,169**	317,489

Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, bank deposits, pledged bank deposits, Deferred Consideration, loans receivable, trade debtors, other debtors, investments at FVTPL, investments in debt instruments, amounts due from associates, creditors and accrued charges, other payables, lease liabilities and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Currency risk

During the current year, the Group has utilised the bank deposits (details set out in note 25) to invest in debt instruments which are denominated in RMB and over 40% (2023: 80%) of investments in debt instruments (note 18) as at 31 December 2024 are denominated in RMB.

On the other hand, certain subsidiaries of the Group have foreign currency sales and purchases. The Group is therefore exposed to foreign currency risk. In addition, certain debtors, bank deposits, bank balances, creditors and accrued charges are denominated in currencies other than the functional currency of the respective group entities. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities against their functional currency at the end of the reporting period are as follows:

	Assets		Liabilities	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
Renminbi ("RMB")	**346,246**	605,844	**21**	22
United States Dollars ("USD")	**319,743**	102,531	**1,896**	11,107
Sterling Pound ("GBP")	**48,144**	7,410	**1,152**	563
New Taiwan Dollars ("NTD")	**1,263**	1,263	**25**	41

At 31 December 2024, the carrying amounts of inter-company balances (assets) of certain group entities which were denominated in HKD (against RMB) is HK$164,641,000 (2023: HK$125,294,000).

The directors of the Company expect the foreign exchange exposure on USD against HKD to be minimal because HKD is pegged with USD under the Linked Exchange Rate System. Accordingly, no sensitivity analysis is presented.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Currency risk *(Continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2023: 10%) increase and decrease in relevant foreign currencies against the functional currency of the relevant group entities. 10% (2023: 10%) is the sensitivity rate used that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% (2023: 10%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss (2023: increase in post-tax profit) for the year where relevant currencies strengthen 10% (2023: 10%) against the functional currency of the relevant group entities. For a 10% (2023: 10%) weakening of relevant currencies against the functional currency of the relevant group entities, there would be an equal and opposite impact on the result.

	2024 **HK$'000**	2023 HK$'000
RMB against HKD	**28,910**	50,586
NTD against HKD	**103**	102
GBP against HKD	**3,924**	572
HKD against RMB	**13,748**	10,462

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate loans receivable, bank balances and bank borrowings as at 31 December 2024 (details are set out in notes 17, 25 and 29). It is the Group's policy to keep its loans receivable at floating rate of interest so as to minimise the fair value interest rate risk.

The Group is exposed to fair value interest rate risk in relation to fixed-rate Deferred Consideration, loans receivable, investments in debt instruments, deposits placed with banks, lease liabilities and bank borrowings (details are set out in notes 16, 17, 18, 25, 28 and 29). The Group has not used any derivative contracts to hedge this exposure to interest rate risk.

The Group currently does not have any interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Interest rate risk *(Continued)*

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the variable rate loans receivables at the end of the reporting period. The analysis is prepared assuming the amounts of loans receivable and bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 200 basis points (2023: 200 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 200 basis points (2023: 200 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2024 would decrease/increase by HK$128,000 (2023: post-tax profit increase/decrease HK$274,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate loans receivable and bank borrowings.

Equity price risk

The Group is exposed to potential loss in market value resulting from an adverse change in prices through its investments at fair value through profit or loss. Management manages this exposure by closely monitoring the performance of the investments and market conditions. Management will consider diversifying the portfolio of investments as they consider appropriate. The Group's stock portfolio mainly comprise of blue chip companies which allows the Group to increase the return of the funds. At 31 December 2024, the largest equity investment within the Group's portfolio is a leading telecommunication service provider in the PRC which accounts for over 70% (2023: 70%) of the carrying amount of investments at fair value through profit or loss.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks for investments at fair value through profit or loss at the end of the reporting period.

If the prices of the respective equity instruments had been 20% (2023: 20%) higher/lower, the Group's post-tax loss for the year ended 31 December 2024 would decrease/increase by HK$35,066,000 (2023: post-tax profit increase/decrease HK$35,145,000) as a result of the changes in fair value of investments at fair value through profit or loss.

In the management's opinion, the above sensitivity analysis is unrepresentative of the inherent risk as the year end exposure does not reflect the exposure during the year.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to Deferred Consideration, loans receivable, trade debtors, contract assets, other debtors, bank deposits and bank balances and loan commitment. The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets, contract assets and loan commitment, except that the credit risks associated with certain loan receivables and Deferred Consideration which is mitigated through obtaining collaterals from the counterparties.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below.

Impairment assessment on financial assets and other items subject to ECL model

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade debtors/ contract assets	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Medium risk	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
High risk	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

The following tables details the credit risk exposure of the Group's financial assets and other items which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross amount 2024 HK$'000	Gross amount 2023 HK$'000
Financial assets at amortised cost						
Trade debtors from contracts with customers	22	N/A	(note i)	Lifetime ECL (not credit-impaired and assessed individually)		
			High risk		**419**	1,321
			Medium risk		**13,154**	25,162
			Low risk		**35,179**	24,022
					48,752	50,505
	22	N/A	Loss	Lifetime ECL (credit-impaired and assessed individually)	**4,088**	1,497
Deferred Consideration	16	N/A	Loss	Lifetime ECL (credit-impaired and assessed individually)	**953,192**	940,396
Loans receivable	17	N/A	Low risk	12m ECL (assessed individually)	**31,500**	44,500
	17	N/A	Loss	Lifetime ECL (credit-impaired and assessed individually)	**10,154**	13,153
Investments in debt instruments	18	Aa3 – A2	N/A	12m ECL (assessed individually)	**407,991**	626,829
	18	N/A	High risk	Lifetime ECL (not credit-impaired and assessed individually)	**11,631**	–
Other debtors	22	N/A	Low risk	12m ECL (assessed individually)	**20,570**	24,793
Amounts due from associates	24	N/A	Low risk	12m ECL (assessed individually)	**154**	104
Bank deposits, pledged bank deposits and bank balances and cash	25	Aa2 to Baa3	N/A	12m ECL (assessed individually)	**351,634**	138,133
Other items						
Contract assets	21	N/A	(note i)	Lifetime ECL (not credit-impaired and assessed individually)		
				– Low risk	**28,383**	48,246
				– High risk	**7,037**	21,850
Loan commitment	17	N/A	(note ii)	12m ECL (assessed individually)	**80,000**	55,500

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

Notes:

(i) For trade debtors and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items individually by reference to past default experience and current past due exposure of the debtor, and an analysis of the debtor's current financial position.

(ii) For the loan commitment, the gross carrying amount represents the maximum undrawn amount the Group has committed under the relevant loan facility agreements.

The estimated loss rates are estimated based on historical credit loss experience of the debtors and forward-looking information (for example, the economic growth rates which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort or proxy to loss rates published by international credit-rating agencies. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The internal credit rating categories are regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

Investments in debt instruments

The Group has utilised its idle cash to invest in fixed income instruments. The Group only invests in bonds with investment grade assigned by internationally recognised credit rating agencies and/or issued by reputable companies or issuers with stable industry outlook. These issuers of the bonds are mainly largest property companies in Hong Kong, global leading financial institutions as well as the Hong Kong Government entities. ECL has been provided for the debt instruments recognised at the beginning of the respective years to reflect the changes in the credit rating of the a property company during the current year.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

Investments in debt instruments *(Continued)*

The following table shows the movement in ECL that has been recognised for investments in debt instruments.

	12m ECL HK$'000	Lifetime ECL (not credit-impaired) HK$'000	Total HK$'000
At 1 January 2023	–	–	–
Impairment loss recognised	1,927	–	1,927
At 31 December 2023	1,927	–	1,927
Impairment loss recognised	–	2,253	2,253
Transfers	(1,927)	1,927	–
At 31 December 2024	–	4,180	4,180

Deposits placed with banks

The Group only placed deposits in reputable banks with high credit ratings assigned by the international rating agencies. The Group's bank deposits and bank balances are mainly deposited with banks in Hong Kong and the PRC. The Group had concentration of credit risk as 86% and 14% (2023: 65% and 34%) of the total bank balances as at 31 December 2024 was placed in the banks in Hong Kong and the PRC respectively.

At the end of the reporting period, the Group performed impairment assessment on bank deposits and bank balances by reference to probability of default and loss given default by credit rating grades published by international credit-rating agencies and concluded that ECL is insignificant.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

Deferred Consideration

The Counterparty is engaged in the provision of construction services to property developers and property development business in the PRC. Starting from the second half of the financial year 2021, defaults by certain leaders in the PRC real estate market has affected the market demand and market price of the properties held by many property developers and increased the difficulty in obtaining financing for daily operation by them, which has resulted in liquidity problems of many industry players in this market, and the Counterparty is of no exception. In the past years, the Group has reduced the credit risk exposure of the credit-impaired Deferred Consideration amount through negotiation with the Counterparty for additional collaterals, with the objective to increase the possibility of recovery of the receivable amount. The management of the Group has carefully assessed the value of the collaterals at each negotiation.

The following table shows the movement in lifetime ECL (credit-impaired) that has been recognised for Deferred Consideration.

	2024 **HK$'000**	2023 HK$'000
At 1 January	**851,994**	1,262,355
Changes due to financial instruments recognised as at 1 January:		
– Impairment losses reversed due to decrease in loss given default	**(1,277)**	(395,911)
Currency realignment	**175**	(14,450)
At 31 December	**850,892**	851,994

Trade debtors and contract assets

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The management closely monitors the subsequent settlement of the debts and does not grant long credit period to customers. The Group applies simplified approach on trade debtors and contract assets to provide for ECL prescribed by HKFRS 9.

The Group had concentration of credit risk as 68% (2023: 62%) of the total trade debtors as at 31 December 2024 was due from the Group's five largest trade debtors. The Group's five largest trade debtors are multi-national companies or well-established corporations. In order to minimise the credit risk of those receivables, the management closely monitored the recoverability of the amounts due. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

Trade debtors and contract assets *(Continued)*

The following table shows the movement in lifetime ECL that has been recognised for trade debtors under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 January 2023	120	1,777	1,897
Changes due to financial assets recognised as at 1 January 2023:			
– Transfer to lifetime ECL (credit-impaired)	(2)	2	–
– Impairment losses reversed	(117)	(640)	(757)
– Impairment losses recognised	–	322	322
New financial assets originated	205	18	223
At 31 December 2023	206	1,479	1,685
Changes due to financial assets recognised as at 1 January 2024:			
– Impairment losses reversed	(206)	–	(206)
– Impairment losses recognised	–	993	993
New financial assets originated	272	–	272
At 31 December 2024	272	2,472	2,744

The changes in lifetime ECL reversed for contract assets (not credit-impaired) during the current year is explained by impairment recognised for contract assets newly originated during the year net with the impairment loss for contract assets recognised at the beginning of the year of HK$3,976,000 (2023: ECL recognised of HK$5,233,000).

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

Loans receivable and loan commitment

The loans receivable were secured by assets provided by the borrowers. In order to minimise the credit risk, prior to advancing the loans or renegotiation of loan terms, the management of the Group closely evaluates the borrower's financial background and repayment abilities. The assessment is based on a close monitoring and evaluation of the collectability of each outstanding amount and the past collection history, to the extent available. The quality of the collateral has not significantly deteriorated during the current year. The Group requested for additional securities when the loan are matured and terms are renegotiated. The estimated realisable amount from the collaterals are considered in the loss given default for measurement of ECL and ECL amounting to HK$9,866,000 (2023: HK$9,608,000) has been provided.

The following table shows the movement in ECL that has been recognised for loans receivable and loan commitment.

	12m ECL	Lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000	HK$'000
At 1 January 2023	1,459	3,974	5,433
Changes due to financial assets recognised as at 1 January 2023:			
– Impairment losses reversed	(11)	–	(11)
– Impairment losses recognised	1,287	2,899	4,186
At 31 December 2023	2,735	6,873	9,608
Changes due to financial assets recognised as at 1 January 2024:			
– Impairment losses reversed	(2,735)	–	(2,735)
New financial assets originated	2,993	–	2,993
At 31 December 2024	2,993	6,873	9,866

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Impairment assessment on financial assets and other items subject to ECL model (Continued)

Other debtors

The Group has taken into account the economic outlook of the industries in which the debtors operate, and concluded that there has been no significant increase in credit risk since initial recognition. The ECL on other debtors is considered to be insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities, lease liabilities and other non-financial liabilities comprising accrued charges and provision for performance related incentive payments based on the earliest date on which the Group can be required to settle. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand and less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1 year to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2024							
Creditors and accrued charges	–	114,018	–	10,072	–	124,090	124,090
Other payables	–	142,689	–	–	–	142,689	142,689
Bank borrowings	3.35	36,640	–	–	–	36,640	36,640
Lease liabilities	4.30	202	440	1,894	896	3,432	3,309
		293,549	440	11,966	896	306,851	306,728
At 31 December 2023							
Creditors and accrued charges	–	161,113	–	27,072	–	188,185	188,185
Other payables	–	142,689	–	–	–	142,689	142,689
Bank borrowings	3.93	31,628	–	–	–	31,628	31,628
Lease liabilities	4.30	203	421	1,872	3,326	5,822	5,510
		335,633	421	28,944	3,326	368,324	368,012

35. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Certain of the Group's bank borrowing contains a repayment on demand clause, but the management of the Group considers it is not probable the bank will exercise such right. The management of the Group considers that such borrowings will be repaid based on the agreed repayment terms set out in the loan agreement which are set out below. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand and less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2024	**3.30**	**201**	**402**	**1,810**	**9,651**	**27,143**	**39,207**	**30,312**
At 31 December 2023	3.93	211	421	1,895	10,108	30,957	43,592	31,628

Fair value measurements of financial instruments

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following gives information about how the fair values of these financial assets are determined. In particular, the valuation technique and inputs used, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The fair value of investments at FVTPL (listed in Hong Kong) are determined based on the quoted market bid prices available on the Stock Exchange and classified as Level 1 of the fair value hierarchy (unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date).

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of the gross carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

36. RETIREMENT BENEFITS SCHEMES/SHARE OPTION SCHEME

(a) Since 1 December 2000, the Group has operated pension schemes under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees' relevant aggregate income with a maximum monthly contribution of HK$1,500 per person. The contributions are charged to profit or loss as incurred. The Group's liability is limited to the monthly contributions to the fund. The Group's contributions to MPF Scheme for its employees are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contribution under the MPF Scheme that may be used by the Group to reduce the existing level of contribution.

The relevant PRC subsidiaries are required to make contributions to the state-managed schemes in the PRC based on a certain percentage of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations.

The total cost of HK$1,469,000 (2023: HK$1,642,000) recognised to profit or loss represents contributions payable to these schemes by the Group in respect of current year.

(b) Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay long service payments ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, amounting to two-third of last monthly wages (before termination of employment) multiplied by years of service. Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan. Under the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 which will be effective from 1 May 2025, any MPF benefits of an entity would no longer be eligible to offset against its obligations on LSP for the portion of the LSP accrued on or after the Transition Date. The unfunded LSP obligation at 31 December 2024 and 2023 and the current service cost during the years ended 31 December 2024 and 2023 is insignificant.

36. RETIREMENT BENEFITS SCHEMES/SHARE OPTION SCHEME *(Continued)*

(c) The Company's share option scheme (the "Scheme") come into effect from 12 June 2015 for the primary purpose of providing incentives and rewards to any employees (whether full time or part time), executives or officers of the Company or any of the subsidiaries (including executive and non-executive directors) and any business consultants, agents, financial or legal advisers who will contribute or have contributed to the Company or any of the subsidiaries for their contributions to the Company or such subsidiaries.

The number of shares available for issue under the Scheme was 38,263,340 (2023: 39,395,340) shares representing 10% of the issued share capital at 31 December 2024. The maximum number of shares issuable under the Scheme to each participant in any 12-month period up to the date of grant shall not exceed 1% of the shares unless it is approved by shareholders in a general meeting of the Company. Any share options granted a substantial shareholder or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK$5,000,000, in any 12-month period, are subject to shareholders' approval in general meeting of the Company.

The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. There is no general requirement that an option must be held for any minimum period before it can be exercised but the board of directors of the Company is empowered to impose as its discretion any such minimum period at the time of grant of any particular option.

HK$1.00 is payable by each eligible participant to the Company on acceptance of the option on or before the 30th day after the option is offered. The exercise price must be at least the higher of (i) the closing price of the share as stated in the Stock Exchange's daily quotations sheet on the date of grant which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

The Scheme will expire at the close of business of 12 June 2025. No share option has been granted pursuant to the Scheme since its adoption by the Company up to 31 December 2024.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank borrowings HK$'000	Lease liabilities HK$'000	Dividend payables HK$'000
At 1 January 2023	–	7,561	–
Financing cash flows	(1,753)	(2,836)	(11,819)
Acquisition of subsidiaries (note 40)	31,841	–	–
Recognition of lease liabilities	–	8,669	–
Early termination of lease liability	–	(8,144)	–
Currency realignment	–	(205)	–
Dividends declared	–	–	11,819
Interest expenses	1,540	465	–
At 31 December 2023	31,628	5,510	–
Financing cash flows	3,733	(2,502)	(11,479)
Recognition of lease liabilities	–	168	–
Currency realignment	–	(58)	–
Dividends declared	–	–	11,479
Interest expenses	1,279	191	–
At 31 December 2024	36,640	3,309	–

38. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries as at 31 December 2024 and 2023 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid up ordinary share capital/ registered capital	Proportion of ownership interest attributable to the Company 2024 %	2023 %	Principal activities
ATNT Global Investments Company Limited	Hong Kong	HK$2	**100**	100	Securities trading
ATNT Group Management Limited	Hong Kong	HK$2	**100**	100	Management services and treasury management
Billion Chart Limited	Hong Kong	HK$1	**100**	100	Property holding
台灣亞洲自動化設備股份有限公司	Taiwan	TWD10,000,000	**100**	100	Installation of electroplating machines and after sale services
Palcon International Limited	British Virgin Islands*	US$100	**60**	60	Investment holding
PAL Control Sdn. Bhd.	Malaysia	MYR2	**60**	60	Software development
PAL Finance Limited	Hong Kong	HK$2	**100**	100	Money lending
PAL Surface Treatment Systems Limited	Hong Kong	HK$10,000	**100**	100	Sales of electroplating machines and spare parts
Process Automation (BVI) Limited	British Virgin Islands*	HK$110,000	**100#**	100#	Investment holding
Process Automation (China) Limited 寶盈科技(深圳)有限公司 (Wholly foreign-owned enterprise ("WFOE"))	PRC	HK$8,500,000	**100**	100	Design, manufacture and sales of electroplating machines
Process Automation International Limited ("PAIL")	Hong Kong	HK$2 (note)	**100**	100	Design, manufacture and sales of electroplating machines and treasury management

38. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid up ordinary share capital/ registered capital	Proportion of ownership interest attributable to the Company		Principal activities
			2024 **%**	2023 %	
Process Automation (Shenzhen) Limited 寶龍自動機械(深圳)有限公司 (WFOE)	PRC	HK$18,000,000	**100**	100	Property holding
Rich Town Properties Limited	British Virgin Islands*	US$2	**100**	100	Property investment
Singkei Real Estate Investment Co. Limited	Hong Kong	HK$10,000	**100**	100	Property holding
Treasure Chance Properties Limited	Hong Kong	HK$100	**100**	100	Property holding

* These subsidiaries operate in Hong Kong. Other subsidiaries operate in their places of incorporation.

\# The proportion of ownership interest is directly attributable to the Company. The proportion of ownership interest attributable to other subsidiaries are indirectly attributable to the Company.

Note: At 31 December 2024, PAIL had outstanding 11,000,000 non-voting deferred shares of HK$1 each which were held by Process Automation (BVI) Limited. The deferred shares carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of PAIL and practically carry no rights to participate in any distribution on winding up.

None of the subsidiaries had any debt securities outstanding at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

39. NON-CASH TRANSACTIONS

During the prior year, the Group obtained legal titles of the investment properties resulting in a reduction in gross amount of Deferred Consideration, as disclosed in note 16.

40. ACQUISITIONS OF SUBSIDIARIES

During the prior year, the Group has obtained control over Singkei Real Estate Investment Co. Limited and Treasure Chance Properties Limited as part of the re-negotiation of collaterals for the Deferred Consideration (note 16). The aggregate consideration of HK$141,689,000 is payable immediately when the outstanding principal amount of Deferred Consideration has been fully settled. The Group has not made any payment in the current and prior year.

Assets and liabilities acquired:

	HK$'000
Investment properties	173,515
Other debtors	286
Cash and cash equivalents	1,301
Other creditors	(1,572)
Bank borrowing	(31,841)
	141,689

Net cash inflows from the acquisitions of subsidiaries amounted to HK$1,301,000 during the prior year.

41. RELATED PARTY TRANSACTIONS

Details of outstanding balances with related companies and associates are set out in notes 22 and 24.

During the year, the Group had entered into the following transactions with related parties:

	2024 HK$'000	2023 HK$'000
Associates		
Trade sales and services rendered	**1,957**	3,622
Installation expenses	**1,805**	–
KTFG and its subsidiaries (note i)		
Commission expense and other securities dealing expenses	**130**	82
Interest income	**799**	1,316
BioEm Air Sanitizing Technology Company Limited (note ii)		
Other expenses	**29**	38

41. RELATED PARTY TRANSACTIONS *(Continued)*

Note i: The Group has appointed KTFG as a broker for dealing with the securities investments. The Group has placed deposits with the broker with the year end balance amounting to HK$2,835,000 (2023: HK$5,330,000) (note 22).

Note ii: Mr. Lam Kwok Hing, an executive director and the ultimate controlling shareholder of the Company, indirectly holds 68.75% interest in this company and acts as its directors.

The remuneration of directors and other members of key management of the Group during the year is as follows:

	2024 **HK$'000**	2023 HK$'000
Payments for salaries and other short-term employee benefits	**36,078**	45,580
Retirement benefits costs	**89**	126
	36,167	45,706

In addition, the details of the performance incentive payments to the executive directors are set out in note 10.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trend, and the terms of the relevant services contracts.

42. SUBSEQUENT EVENTS

Subsequent to 31 December 2024, the Group has acquired deposit products at an aggregate consideration of HK$27,080,000.

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 HK$'000	2023 HK$'000
Non-current assets		
Interests in subsidiaries	**47,286**	47,286
Amounts due from subsidiaries	**318,241**	32,755
	365,527	80,041
Current assets		
Amounts due from subsidiaries	**87,362**	64,581
Amounts due from associates	**154**	104
Other debtors and prepayments	**4,184**	2,162
Bank balances and cash	**1,816**	1,629
	93,516	68,476
Current liabilities		
Creditors and accrued charges	**11,088**	23,048
Amounts due to subsidiaries	**7,421**	42,005
	18,509	65,053
Net current assets	**75,007**	3,423
Total assets less current liabilities	**440,534**	83,464
Capital and reserves		
Share capital	**3,827**	3,940
Reserves	**436,707**	79,524
Total equity	**440,534**	83,464

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

	Share premium HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2023	26,327	46,879	35,861	109,067
Loss and total comprehensive expense for the year	–	–	(17,724)	(17,724)
Dividends (note 12)	–	–	(11,819)	(11,819)
At 31 December 2023	26,327	46,879	6,318	79,524
Profit and total comprehensive income for the year	–	–	379,859	379,859
Repurchase and cancellation of shares	(756)	(10,441)	–	(11,197)
Dividends (note 12)	–	–	(11,479)	(11,479)
At 31 December 2024	25,571	36,438	374,698	436,707

Financial Summary

RESULTS

	Year ended 31 December				
	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000	**2024** **HK$'000**
Revenue	335,097	364,634	319,673	431,288	**419,112**
Profit (loss) for the year attributable to:					
Owners of the Company	138,772	(838,547)	(32,727)	304,179	**(14,100)**
Non-controlling interests	1,422	(53)	(89)	(77)	**445**
	140,194	(838,600)	(32,816)	304,102	**(13,655)**

ASSETS AND LIABILITIES

	At 31 December				
	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000	**2024** **HK$'000**
Total assets	2,869,557	1,875,930	1,810,835	2,136,013	**2,007,733**
Total liabilities	(756,274)	(556,696)	(626,590)	(666,980)	**(594,662)**
	2,113,283	1,319,234	1,184,245	1,469,033	**1,413,071**
Equity attributable to owners of the Company	2,113,226	1,319,202	1,184,249	1,469,072	**1,412,690**
Non-controlling interests	57	32	(4)	(39)	**381**
	2,113,283	1,319,234	1,184,245	1,469,033	**1,413,071**