Asia Tele-Net and Technology Corporation Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 679)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

The Board of Directors (the "Board") of Asia Tele-Net and Technology Corporation Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007 with comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007

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

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2007

	NOTES	30.6.2007 HK$'000 (unaudited)	31.12.2006 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**85,800**	84,705
Prepaid lease payments		**12,774**	12,890
Goodwill		**-**	2,488
Interests in associates		**54,324**	47,375
Available-for-sale investments		**515**	515
Loans receivable		**1,010**	1,219
		154,423	149,192
Current assets			
Inventories		**53,798**	45,833
Retirement benefit assets		**13**	13
Amounts due from customers for contract work		**52,777**	30,503
Loans receivable		**4,280**	4,554
Debtors, deposits and prepayments	8	**186,044**	256,925
Prepaid lease payments		**244**	244
Investments held for trading		**25,833**	20,251
Amounts due from associates		**2,686**	4,274
Taxation recoverable		**4,349**	3,314
Pledged bank deposits		**7,000**	7,000
Bank balances and cash		**63,014**	63,144
		400,038	436,055
Current liabilities			
Creditors, bills payable and accrued charges	9	**202,922**	238,339
Warranty provision		**22,474**	20,938
Amounts due to customers for contract work		**3,596**	8,480
Amounts due to associates		**52**	37
Taxation payable		**221**	2,061
Bank borrowings due within one year		**34,193**	37,291
Obligations under finance leases due within one year		**945**	8
		264,403	307,154
Net current assets		**135,635**	128,901
Total assets less current liabilities		**290,058**	278,093

	30.6.2007	31.12.2006
	HK$'000	HK$'000
	(unaudited)	(audited)
Capital and reserves		
Share capital	**4,265**	4,265
Reserves	**275,687**	263,890
Equity attributable to equity holders of the parent	**279,952**	268,155
Minority interests	**6,081**	6,070
Total equity	**286,033**	274,225
Non-current liabilities		
Obligations under finance leases due after one year	**949**	-
Deferred taxation	**3,076**	3,868
	4,025	3,868
	290,058	278,093

NOTES

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

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

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

[1] Effective for accounting periods beginning on or after 1 January 2009.
[2] Effective for accounting periods beginning on or after 1 March 2007.
[3] Effective for accounting periods beginning on or after 1 January 2008.

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

3. SEGMENT INFORMATION

Business segments

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

Segment information is presented below.

For the six months ended 30 June 2007

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

For the six months ended 30 June 2006

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

4. TAXATION

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

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

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

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

5. PROFIT FOR THE PERIOD

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

6. DIVIDEND

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

7. EARNINGS PER SHARE

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

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

8. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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

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

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

9. CREDITORS, BILLS PAYABLE AND ACCRUED CHARGES

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

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

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

Interim Dividend

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

Business Review

(A) PAL Group

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

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

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

World PCB Production (US$ Million)

Region	2005	Growth %	2006	Growth %	2007	Growth %	2008	Growth %	2009	Growth %
Total America	4692	0.0	4718	0.6	4373	-7.3	4426	2.8	4524	2.2
Total Europe	3605	-7.9	3547	-1.6	3510	-7.0	3586	2.2	3622	1.0
Other Regions*	430	-0.1	437	2.1	461	5.5	468	3.5	482	3.0
Total Asia Pacific	33675	11.2	38957	18.0	42972	10.6	47891	12.4	51503	11.5
World Total	42402	4.8	47659	14.5	51316	7.7	56371	9.8	60131	6.7

(N.T. Information Ltd, August 28, 2007)
* Other regions include Russia, Middle East, Africa, E. Europe not in EU

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

Electroplating equipment – Surface Finishing ("SF") sector

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

Product development

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

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

Risk factors

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

(B) Businesses operated by major associated company

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

(C) Outlook

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

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

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

Financial Review

Capital structure, liquidity and financial resources

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

As at 30 June 2007, the Group had approximately HK$70,014,000 of cash on hand, net current assets value being approximately HK$136,635,000, short-term bank loan amounted to HK$34,193,000 and obligations under finance leases approximately HK$1,894,000. The total borrowing was therefore HK$36,087,000, a decrease of HK$1,212,000 from last year of HK$37,299,000.

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

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

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

Contingent Liabilities

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

EMPLOYEE AND REMUNERATION POLICIES

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

COPORATE GOVERNANCE

The Company has complied with the Code of Corporate Governance Practices (the "GC Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2007, with deviations from code provisions A.2.1, A.4.1 and A4.2 of the GC Code in respect of the separate roles of chairman and chief executive officer, service term and rotation of directors.

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

Code Provision A.2.1

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

Code Provision A.4.1

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the

GC Code. In accordance with the provisions of the Bye-laws of the Company, any director appointed by the Board during the year shall retire and submit themselves for re-election at the next following annual general meeting immediately following his/her appointment. Further, at each annual general meeting, one-third of the directors for the time being, or if their number is not three or multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. At such, all independent non-executive directors are in effect retired once every three years. With the current arrangement under the Bye-laws, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are similar to the GC Code. Nevertheless, the Company is planning to change the appointment of independent non-executive directors with a specific term with effect from 1 January 2008.

Code Provision A.4.2

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

AUDIT COMMITTEE

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

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during six months ended 30 June 2007.

By Order of the Board
Lam Kwok Hing
Chairman

Hong Kong, 19 September 2007

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