**ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED**

亞洲聯網科技有限公司*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 679)**

# TWO PROFIT ALERTS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that due to the accounting requirement to revalue the financial assets in relation to the rights entitled by the Group under the Supplemental Agreements (details of which was more particularly described in the circular issued on 15 February 2017), the Group is expected to record a significant decrease in its profit for the year ended 31 December 2017 but an increase in its profit for the six months ended 30 June 2017.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Asia Tele-Net And Technology Corporation Limited (the "Company", together with its subsidiaries as the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO").

## *1. PROFIT WARNING FOR THE YEAR 2017*

References are made to (i) page 4 of 2016 annual report with respect to a gain on recognition of other asset of approximately HK$999,560,000 for the rights to receive titles of 41,000 sq.m marketable residential and commercial properties pursuant to agreements signed in October 2011 and (ii) the announcement of the Company dated 4 January 2017 in relation to the entering of the supplemental agreements ("Supplemental Agreements"). Following the announcement, a circular was issued on 15 February 2017 ("Circular") and an extraordinary general meeting was held on 2 March 2017 to approve the Supplemental Agreements. Under the terms of the Supplement Agreements, instead of receiving titles of 41,000 sq.m marketable residential and commercial properties, the Group will receive the guaranteed cash consideration of RMB1.23 billion and rights to receive the Additional Consideration (as defined in the Circular) if the average selling price is higher than RMB30,000 (net of value-added taxes) or RMB33,710 (inclusive of value-added taxes). As the terms of the Supplemental Agreement are materially different from the terms of the transactions previously approved by the Shareholders of the Company on 13 October 2011 for which the gain of HK$999,560,000 was calculated, the Company has appointed an independent valuation company to determine the fair value for the rights entitled by the Group under the Supplemental Agreements.

Based on the preliminary review on the draft valuation report, the fair value for the rights entitled under the Supplemental Agreements as of 2 March 2017 is approximately HK$1,126,931,000 whereas the carrying value of the other asset was approximately HK$958,215,000 as at 31 December 2016 (as disclosed on page 9 of 2016 annual report). The Group will therefore record an increase in fair value of the other asset of approximately HK$168,716,000 for the year 2017. Nevertheless, in view of the continuation of tightening policies by the Shenzhen Municipal Government to support central government's decision to regulate the property markets and the drop in the market prices for the Shenzhen properties in last few months, the Board does not expect any significant increase for the fair value of the other asset for the rest of the year.

Given that (i) the Board does not expect any further significant increase in the fair value of the other asset for the rest of the year; (ii) the expected revenue for the year 2017 will be higher than that of 2016 but within the range of 10-20% only and (iii) the Directors are not aware of any other substantial gain which may impact the Group's financial statements for the year 2017, the Group is expected to record a significant decrease in its profit for the year ended 31 December 2017 as compared to the reported profit of approximately HK$762,371,000 for the year ended 31 December 2016.

## *2. POSITIVE PROFIT ALERT FOR THE SIX MONTHS ENDED 30 JUNE 2017*

Although the Group is expected to record a significant decrease in its profit for the year ended 31 December 2017 as compared to the reported profit for the year ended 31 December 2016, the Group is expected to record a significant increase in its profit for the six months ended 30 June 2017 as compared to the reported profit for the six months ended 30 June 2016.

Based on the preliminary review on the Company's unaudited consolidated management accounts and in view of the recorded increase in the fair value gain of the other asset, the reported profit for the six months ended 30 June 2017 will probably be over HK$190 million which will be substantially higher than the reported profit of approximately HK$5,732,000 for the six months ended 30 June 2016.

The independent valuation company is now working on a review of the fair value in relation to the rights entitled by the Group under the Supplemental Agreement as of 30 June 2017. Any revision of the fair value may impact further the estimated reported profit for the six months ended 30 June 2017.

The Company is still in the process of finalizing its consolidated results for the Period Under Review. The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated financial statements of the Group together with other information currently available, and such financial statements and information have not been fully reviewed by the Company's auditors. The unaudited interim results of the Group are expected to be announced in late August 2017.

## *3. FURTHER NOTES ON THE FAIR VALUE OF THE OTHER ASSET*

The fair value of the other asset represents the best estimates of the future economic benefits to be entitled by the Group under the Supplemental Agreements. A lot of assumptions were made for valuation purpose including the assumptions that the property re-development plan shall proceed as planned and there is no material change to present regulatory regime or in the property market from now till 2019. In essence, the gain reported in year 2016 together with the incremental gain recorded in year 2017 are unrealized gains and the actual gain will vary and will depend on the market conditions at times of pre-sales which is expected around mid-2019.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board
**Asia Tele-Net and Technology Corporation Limited**
**Lam Kwok Hing**
*Chairman and Managing Director*

Hong Kong, 26 July 2017

*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.*

* *For identification purpose only*