THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Asia Tele-net and Technology Corporation Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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)

UPDATE ON CREDIT ENHANCEMENT ARRANGEMENT AND MAJOR TRANSACTION IN RELATION TO THE SETTLEMENT AGREEMENT

A letter from the Board is set out on pages 5 to 18 of this circular.

23 February 2024

CONTENTS

Page

In this circular, the following expressions have the following meanings unless the context requires otherwise:

"ATNT Group Management"	ATNT Group Management Limited (亞洲聯網集團管理有限公司), a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company
"Board"	the board of Directors
"Company"	Asia Tele-Net and Technology Corporation Limited (亞洲聯網科技有限公司), a company incorporated under the laws of Bermuda and whose Shares are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to this term under the Listing Rules
"Cooperative Reconstruction Agreement"	the cooperative reconstruction agreement originally dated 7 August 2011 entered into between PASL and Shenzhen Warmsun, as amended and supplemented by (i) a supplemental agreement dated 25 October 2013; (ii) a second supplemental agreement dated 26 October 2015; (iii) a third supplemental agreement dated 30 June 2016; (iv) a fourth supplemental agreement dated 12 October 2016; (v) a fifth supplemental agreement dated 4 January 2017; and (vi) a sixth supplemental agreement dated 28 June 2017, each entered into between PASL, Shenzhen Warmsun and the Project Company
"Director(s)"	the director(s) of the Company
"Further Agreement"	the third supplemental agreement dated 9 October 2023 entered into between PASL, Shenzhen Warmsun, the Project Company, Warmsun Holdings and Pan-China Engineering in relation to, among others, certain amendments to the credit enhancement arrangement under the Multi-party Collateral Agreement for the Secured Obligations
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Property I"	a penthouse at Peak One, No. 63 Mei Tin Road, Sha Tin, New Territories, Hong Kong
"Hong Kong Property II"	certain parking spaces at Peak One, No. 63 Mei Tin Road, Sha Tin, New Territories, Hong Kong

"Hong Kong Properties"	the Hong Kong Property I and Hong Kong Property II
"J & A"	J & A Investment Limited, a company incorporated in the British Virgin Islands with limited liability
"Karfun"	Karfun Investments Limited (佳帆投資有限公司), a company incorporated in Hong Kong with limited liability
"Latest Practicable Date"	20 February 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Medusa"	Medusa Group Limited, a company incorporated in the British Virgin Islands with limited liability
"Mortgage I"	the first mortgage dated 2 June 2023 entered into by Ms. He in favour of ATNT Group Management in respect of Hong Kong Property I
"Mortgage II"	the first mortgage dated 2 June 2023 entered into by Mr. Xiao and Ms. He in favour of ATNT Group Management in respect of Hong Kong Property II
"Mortgages"	the Mortgage I and Mortgage II
"Mr. Lam"	Mr. Lam Kwok Hing *M.H., J.P.*, the chairman and managing director of the Company
"Mr. Xiao"	Mr. Xiao Tanping (肖潭平)
"Ms. He"	Ms. He Yuanfeng (何元鳳)
"Ms. Xiao JL"	Ms. Xiao Jielan (肖潔嵐)
"Ms. Xiao MZ"	Ms. Xiao Manzhen (肖曼貞)

"Multi-party Collateral Agreement"	the multi-party collateral agreement dated 31 December 2021 entered into between PASL, Shenzhen Warmsun, the Project Company, PAL and Singkei (the details of which are set out in the paragraph headed "Agreement for the additional security" in the Company's announcement dated 31 December 2021), as amended and supplemented by (i) a supplemental agreement dated 31 January 2023 (pursuant to which, the parties agreed to extend the security period); and (ii) a second supplemental agreement dated 2 June 2023 (the details of which are set out in the paragraph headed "The Credit Enhancement Arrangement" in the Company's announcement dated 2 June 2023)
"Original Agreements"	the Cooperative Reconstruction Agreement and the Relocation Compensation Agreement
"PAL"	Process Automation International Ltd (亞洲電鍍器材有限公司), a company incorporated in Hong Kong with limited liability and the holding company of PASL as at the Latest Practicable Date
"Pan-China Engineering"	Shenzhen Pan-China Engineering Group Co., Ltd.* (深圳泛華工程集團有限公司)
"PASL"	Process Automation (Shenzhen) Limited* (寶龍自動機械(深圳)有限公司)
"PRC"	the People's Republic of China
"Project Company"	Shenzhen Bao Sheng Long Yue Industrial Investment Company Limited* (深圳市寶盛龍悦實業投資有限公司)
"Relocation Compensation Agreement"	the relocation compensation agreement originally dated 13 September 2011 entered into PASL and the Project Company, as amended and supplemented by (i) a supplemental agreement dated 14 May 2015; (ii) a second supplemental agreement dated 4 January 2017; (iii) a third supplemental agreement dated 28 June 2019; (iv) a fourth supplemental agreement dated 9 September 2019; (v) a fifth supplemental agreement dated 16 May 2022; and (vi) a sixth supplemental agreement dated 2 June 2023
"RMB"	the lawful currency of the PRC

"Secured Obligations"	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each obligor to any secured party under each relevant finance document (including but not limited to the Relocation Compensation Agreement and the Multi-party Collateral Agreement)
"Settlement Agreement"	the settlement agreement dated 9 October 2023 entered into between PASL and the Project Company in relation to the Settlement Arrangement
"Settlement Arrangement"	the arrangement to partially settle the Secured Obligations with the Settlement Amount by means of transfer of the Target Properties from the Project Company to PASL
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Shenzhen Warmsun"	Shenzhen Warmsun Zhi-di Group Company Limited* (深圳市華盛智地集團有限公司)
"Singkei"	Singkei Real Estate Investment Co., Limited (盛基房地產投資有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Shenzhen Warmsun as at the Latest Practicable Date
"sq.m."	square meter
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Properties"	the stores situated at Longhua District, Shenzhen, PRC
"Tenancy Agreements"	various tenancy agreements entered with independent third parties in relation to the Target Properties as at the Latest Practicable Date
"Warmsun Holdings"	Shenzhen Warmsun Holdings (Group) Co., Ltd.* (深圳市華盛控股(集團)有限公司)
"%"	per cent

* *For identification purposes only*

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)

Executive Directors:
Mr. Lam Kwok Hing, *M.H. J.P.*
(Chairman and Managing Director)
Mr. Nam Kwok Lun *(Deputy Chairman)*

Independent non-executive Directors:
Mr. Cheung Kin Wai
Mr. Ng Chi Kin, David
Mr. Hong Hui Lung

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Rooms 607-610
6/F, Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

23 February 2024

To the Shareholders

Dear Sir or Madam,

UPDATE ON CREDIT ENHANCEMENT ARRANGEMENT AND MAJOR TRANSACTION IN RELATION TO THE SETTLEMENT AGREEMENT

1. INTRODUCTION

We refer to the announcement of the Company dated 9 October 2023 in respect of, among others, the Settlement Agreement and the announcements of the Company dated 31 October 2023, 10 November 2023, 6 December 2023, 8 December 2023, 15 January 2024 and 8 February 2024 in relation to the grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange and the delay in dispatch of this circular.

The purpose of this circular is to provide you with further details about the Settlement Agreement and other information required under the Listing Rules.

2. UPDATE ON CREDIT ENHANCEMENT ARRANGEMENT

References are made to the announcements of the Company dated 22 August 2011, 25 October 2013, 16 October 2014, 26 October 2015, 30 November 2015, 4 January 2017, 29 March 2017 and 28 June 2019 and the circulars of the Company dated 19 September 2011, 15 February 2017 and 27 September 2019 in relation to the Cooperative Reconstruction Agreement. References are also made to the announcements of the Company dated 31 December 2021, 16 May 2022 and 2 June 2023 in relation to the updates of receivables due from and the additional security provided by the Project Company.

On 7 August 2011, PASL, a wholly-owned subsidiary of the Company, and Shenzhen Warmsun, entered into the Cooperative Reconstruction Agreement 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, under which Shenzhen Warmsun agreed to pay a relocation compensation of RMB50 million to PASL and transfer the title of certain units of the re-developed property to PASL. On 13 September 2011, PASL and the Project Company entered into the Relocation Compensation Agreement in relation to the payment of the relocation compensation and transfer of the relevant re-developed property.

Subsequently, PASL, Shenzhen Warmsun and the Project Company entered into various supplemental agreements to supplement and amend the terms of the Cooperative Reconstruction Agreement and the Relocation Compensation Agreement. On 28 June 2019 and 9 September 2019, PASL, Shenzhen Warmsun and the Project Company further supplement and amend the terms of the Cooperative Reconstruction Agreement and the Relocation Compensation Agreement under which it was agreed that PASL would receive RMB2.8 billion as full and final settlement. Since then and before the entering of the Further Agreement, the Group has received a total sum of approximately RMB1.25 billion.

Given the weak market outlook of the property market in mainland China, an impairment loss of approximately HK$1.3 billion was recognized for the year ended 31 December 2021 leaving a receivable balance of approximately HK$283 million (the "**Deferred Consideration**"). In order to secure the repayment obligation by the Project Company, Mr. Xiao, Ms. He and their associates have pledged several assets to the Group during the period from December 2021 to June 2023. As additional securities were received, the Deferred Consideration was adjusted upwards from HK$283 million as at 31 December 2021 to HK$328.6 million as of 31 December 2022 and was further adjusted upwards to HK$434 million as of 30 June 2023.

On 9 October 2023, PASL, Shenzhen Warmsun, the Project Company, Warmsun Holdings and Pan-China Engineering entered into the Further Agreement in relation to certain amendments to the credit enhancement arrangement under the Multi-party Collateral Agreement for the Secured Obligations.

Pursuant to the Further Agreement, the parties agreed to, among others, the following amendments to the credit enhancement arrangement under the Multi-party Collateral Agreement for the Secured Obligations:

(a) the entering into of the Settlement Agreement, the principal terms of which are set out in the paragraph headed "The Settlement Agreement" below; and

(b) the discharge of the Mortgages.

Warmsun Holdings and Pan-China Engineering will continue to provide a joint and several guarantee in favour of PASL or its designated entity to secure the performance obligations of Shenzhen Warmsun and the Project Company due to PASL under the Original Agreements and the Multi-party Collateral Agreement (the "**Guarantee**").

Upon completion of the transfer of the Target Properties, the principal terms of which are set out in the sub-paragraph headed "Completion" under the paragraph headed "The Settlement Agreement" below, the Mortgage I and Mortgage II shall be discharged. The Group shall continue to hold

(a) a first mortgage in respect of each of the following properties:

 i. certain unit and parking spaces at TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong; and

 ii. certain unit at Celestial Heights, No. 80 Sheung Shing Street, Ho Man Tin, Kowloon, Hong Kong;

(b) a first legal charge in respect of approximately 14,000 sq.m. of office space of the relevant property located in Longhua, the PRC

Save as disclosed, the credit enhancement arrangement set out in the Multi-party Collateral Agreement remains unchanged.

The Company will continue to monitor the progress of the repayment and negotiate with the Project Company with respect to the payment obligations of the Project Company. Nevertheless, there is no assurance that the Company may be able to recover any further amount of the Secured Obligations.

3. THE SETTLEMENT AGREEMENT

The principal terms of the Settlement Agreement are set out below:

Date

9 October 2023

Parties

(i) PASL

(ii) Project Company

Asset to be transferred

Pursuant to the Settlement Agreement, the Project Company as transferor agreed to transfer the Target Properties to PASL as transferee to partially settle the Secured Obligations in the amount of approximately RMB205 million (the "**Settlement Amount**").

As at the Latest Practicable Date, the outstanding amount due by the Project Company to PASL amounted to RMB1.55 billion (excluding, among others, interest accrued thereon and liquidated damages). For any late payment, the Project Company is liable to pay to PASL a default interest of (i) RMB50,000 per day within the first six months; and (ii) RMB100,000 per day after the first six months. If a default is lasted for thirteen months or more, PASL is entitled to request a further default payment of RMB50 million as liquidated damages and claim any losses or damages in accordance with the laws of PRC. As at the Latest Practicable Date, the Group has received default interest in the amount of RMB48,400,000. Upon reduction of the Settlement Amount from the Secured Obligations, the outstanding amount due by the Project Company to PASL amounted to approximately RMB1.345 billion (excluding, among others, interest accrued thereon and liquidated damages).

Basis of calculation of the Settlement Amount

The Settlement Amount has been arrived at between the parties after arm's length negotiations, taking into account the valuation of the Target Properties of approximately RMB205 million as at 9 October 2023 conducted by an independent property valuer. For information purpose, the valuation report of the Target Properties as at 9 October 2023 will be made available as a document on display on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (www.atnt.biz) for a period of 14 days from the date of this circular.

In accordance with Rule 5.07 of the Listing Rules, an updated valuation report as at 31 December 2023 has been prepared by the valuer, details of which are set out in Appendix IV to this circular.

Completion

Completion of the transfer of the Target Properties shall be subject to the satisfaction of the following:

(a) the relevant documents for the registration of transfer of the Target Properties having been signed by the Project Company within 7 working days after the execution of the Settlement Agreement;

(b) the registration of transfer of the Target Properties having been completed within 15 working days after the execution of the Settlement Agreement; and

(c) unless otherwise agreed by PASL in writing, new lease agreement(s) or tripartite agreement(s) having been entered into with lessee(s) of the Target Properties to confirm the change of lessor from the Project Company to PASL within 60 days after the completion of paragraph (b) above.

As at the Latest Practicable Date, all conditions listed above are satisfied.

In connection with the transfer of the Target Properties, the Project Company is required to issue a *fapiao* (發票) to PASL. As at the Latest Practicable Date, no *fapiao* in connection with the transfer of the Target Properties has been issued to PASL. If no *fapiao* is issued to PASL, and subject to further negotiation with the tax department, there is a possibility (which may or may not occur) that PASL may not be able to claim tax deductions for the revenue generated from the Target Properties and there may be significant adverse tax implications on value-added tax in the event that PASL subsequently sells the Target Properties. PASL is currently in discussions with the Project Company for issue of the *fapiao*. In the event that no *fapiao* is issued, PASL has the right to elect to terminate the Settlement Agreement and/or claim against the Project Company for damages which PASL may suffer. If the Settlement Agreement is terminated, there shall be no partial settlement of the Secured Obligations in the amount of the Settlement Amount.

4. INFORMATION ON THE TARGET PROPERTIES

The Target Properties which comprise of 15 units are retail properties situated at Units 102-111, 144, 148-151, Block 1, Huasheng Longyue Garden, Longhua District, Shenzhen, PRC with a total gross area of 3,493.28 sq.m.. The Target Properties are located in a complex which comprises of residential buildings, apartment building, office building, various units of retail shops (including the Target Properties), government-subsidized residential units, school and several public utilities. As at the Latest Practicable Date, the Target Properties are free from encumbrance.

Subsequent to the execution of the Settlement Agreement and the Further Agreement, the titles of the Target Properties were transferred to PASL on 19 October 2023. With effect from 20 October 2023, PASL is entitled to the rental income for those units being rented out.

Waiver From Strict Compliance With Rule 14.67(6)(b)(i) of the Listing Rules

Under Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of any revenue-generating assets (other than a business or company) with an identifiable income stream or assets valuation, a profit and loss statement and valuation (where available) for the three preceding financial years (or less, where the assets have been held by the vendor for a shorter period) on the identifiable net income stream and valuation in relation to such assets is required. The profit and loss statement must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records (the "**Requirement**").

The Company has applied for a waiver from strict compliance with the requirement of Rule 14.67(6)(b)(i) of the Listing Rules for the following reasons:

(a) Based on normal market practice, a seller is only required to deliver a good title of a property and vacant procession (if applicable) when it transfers the property to a buyer. The seller has no obligation to provide the underlying books and records or other expenses spent on the property. The Project Company is the approved developer of a re-development plan of two parcels of industrial lands. The two industrial lands were re-developed into four residential buildings, one apartment building, one office building, several retails shops (including the Target Properties), government-subsidized residential units, school and several public utilities. The Project Company did not keep separate books and records for the Target Properties.

(b) Despite multiple requests made by the Group and PASL with the Project Company, the Project Company (which does not have any obligation to provide such information) has not agreed to grant permission for the Group or PASL to gain full access to the underlying books and records or other financial information except to provide the Tenancy Agreements entered with independent third parties in relation to the Target Properties to PASL.

(c) The Project Company is a private company and the Company is not able to obtain the financial information in relation to the Target Properties from the public domain.

(d) Without the underlying books and records, including but not limited to bills, payment proof, the calculation of how the common costs were shared, the Company could not determine nor report the actual expenses spent for the Target Properties. Without the documentary proof, the auditors of the Company could not carry out any audit or review works.

(e) In order to ascertain the Government property taxes paid by the Project Company for the Target Properties in the three preceding financial years, the Company needs to obtain certain information from the Project Company, including but not limited to the total investment cost of the whole re-development project recorded in the Project Company's financial statements prepared in accordance with the financial accounting regulations in the PRC, the shared common cost and the allocation of such total cost to each relevant units. As a developer, the Project Company has paid various kind of expenses from the perspective of the whole re-development project. Since the whole re-development project took 8 to 9 years to complete and is a complex which comprises of residential buildings, apartment building, office building, various units of retail shops (including the Target Properties), government-subsidized residential units, school and several public utilities, the Project Company refused to provide all historical records which represent commercial sensitive information to the Project Company. The Project Company also refused to perform cost allocation to each relevant unit. Without the accounts of the Project Company, the Company is unable to ascertain the Government property taxes paid by the Project Company.

(f) Without the abovementioned full access to the underlying books and records of the Project Company granted by the Project Company, it would not be possible for the Company to comply with the Requirement.

The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with the Listing Rule 14.67(6)(b)(i).

Although the Company is not able to provide the profit and loss statement of the Target Properties, based on the experience of the management team and the terms of the Tenancy Agreements, the Company has made alternate disclosures as follows:–

a. Income side

As of the Latest Practicable Date, 8 units are rented out. Terms of the tenancy agreements are summarized below.

Grouping	Terms of tenancy	No of units	Area sqm	Monthly gross rental income *(Note 1)* *RMB*	Value-added taxes *(Note 2)* *RMB*	Monthly net rental income *(Note 10)* *RMB*
Subsisting I	Mid term (3- 5 years) *(Note 3, 6)*	6	808	124,000	10	114,000
Subsisting II	Long term (12 years) *(Note 4)*	1	1418	138,000	12	126,000
Subsisting III	Long term (15 years) *(Note 5)*	1	247	Note 5		Note 5
Vacant	Note 6, 7, 8	7	1020			

Notes:

1. The monthly gross rental income is inclusive of value-added taxes and exclusive of management fees and maintenance fund.

2. The value-added tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Deepening Value-Added Tax Reform No. 39 [2019] of the Ministry of Finance. The current tax rate is 9%.

3. 6 units are rented for a term between three to five years. Based on the terms of the Tenancy Agreements, the tenancy commencement dates are 15 December 2022, 20 June 2023, 24 July 2023, 11 September 2023, 10 December 2023, 1 January 2024 and the expiring dates are 14 December 2025, 19 June 2028, 23 July 2028, 10 September 2028, 9 December 2028, 31 December 2028.

4. 1 unit is rented to a Chinese restaurant for a term of twelve years from 1 November 2022 to 30 October 2034.

5. 1 unit is rented to a global fast-food company. The monthly rent is not a fixed amount and is calculated by applying certain percentages to its monthly revenue. There is a non-disclosure clause in the tenancy agreement requiring the landlord not to disclosure its sensitive information including rent and any financial information. The term of the tenancy, initially, was twelve years. In January 2024, the tenant requested and PASL agreed to extend the tenancy for another three years. The tenancy commencement date was 26 August 2021 and the expiry date is now extended to 25 August 2036.

6. During year 2023, a unit with gross area of approximately 99 sqm was terminated by the tenant before the expiry date of the tenancy agreement. The actual renting period was from Oct 2022 to Nov 2023. The same unit was rented out again starting from Jan 2024 and is included in above table. This unit is categorized as "Subsisting I".

7. During year 2023, a unit with gross area of approximately 125 sqm was terminated by the tenant before the expiry date of the tenancy agreement. The actual renting period was from Aug 2021 to Jun 2023 and is included in above table. This unit is categorized as "vacant".

8. During year 2024, a unit with gross area of approximately 128 sqm was terminated by the tenant before the expiry date of the tenancy agreement. The actual renting period was Jun 2023 to Jan 2024 and is included in above table. This unit is categorized as "vacant".

9. The Tenancy Agreements are operating leases as far as Hong Kong Accounting Standards are concerned.

10. The value-added tax is included in the monthly rental income and is therefore effectively paid by the tenants. PASL will refund tax collected from the tenants (after deducting the value-added tax paid during the course of its business) to the government. As far as the landlord is concerned, only monthly net rental income will be booked as its income.

Pursuant to the terms of the Tenancy Agreements, set out below is the actual rental income for the period from the commencement of the earliest Tenancy Agreement to the latest financial year end date. Rental information for the year ended 31 December 2023 is also reported.

	For the year ended 31 December 2023 (unaudited)	**For the year ended 31 December 2022 (unaudited)**	**For the year ended 31 December 2021 (unaudited)**
	RMB'000	*RMB'000*	*RMB'000*
Gross rental income *(Note 1)*	3,213	1,056	244
Value-added taxes *(Note 2 and 3)*	215	63	14
Net rental income *(Note 1 and 3)*	2,998	993	230

Notes:

1. The gross rental income disclosed is inclusive of value-added taxes and exclusive of management fees and maintenance fund.

2. The value-added tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Deepening Value-Added Tax Reform No. 39 [2019] of the Ministry of Finance. The current tax rate is 9%.

3. The value-added tax is included in the monthly rental income and is therefore effectively paid by the tenants. The landlord will refund the tax collected to the government. As far as the landlord is concerned, only net rental income will be booked as its income.

b. Expense side (for expenses to be incurred after completion of the transfer of the Target Properties)

Having reviewed the terms of the Tenancy Agreements, the tenants are responsible for management fees, air-conditioning charges, utilities expenses, contribution to maintenance fund, repair cost for normal uses (save and except those of a capital or non-recurring nature) and all other outgoings while the landlord is responsible for Government property tax.

The Project Company, being the landlord of the Target Properties, has to pay to the building management company (i) the management fees (ii) contribution to maintenance fund (iii) property tax and (iv) land use tax for those vacant units during the vacant period.

For those vacant units, there should not be any air-conditioning charges, utilities expenses, repair cost for normal uses and all other outgoings. The retail properties are first-handed properties transferred directly from the property developer and was completed in around 2020. There should not be any major repair cost of any capital nature in year 2021, 2022 and 2023.

It is expected that the estimated monthly expense to be incurred for the Target Properties after the completion of the transfer of titles shall be as follows:

		Estimated monthly recurring expenses *RMB'000*
Management fee (net of value-added tax)	*(Note 1, 2, 3)*	9.4
Maintenance fund	*(Note 4)*	0.3
Property tax	*(Note 5)*	0
Land use tax	*(Note 6)*	0.1
TOTAL		9.8

Notes:

1. The management fees are charged at RMB9.8 per sq.m. per month and is inclusive of value-added tax. The monthly management fees for the 7 vacant units is approximately RMB10,000. This amount will be reduced to zero when all 15 units are rented out.

2. The value-added tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Deepening Value-Added Tax Reform No. 39 [2019] of the Ministry of Finance. The current tax rate is 6%. For the 7 vacant units, the value-added taxes is approximately RMB600.

3. The landlord can offset the value-added tax paid for the management fees against the value-added tax collected from its rental income. Because of this mechanism, only the net monthly management fees i.e. approximately RMB9,400 will be booked as expenses.

4. The maintenance fund is charged at RMB0.25 per sq.m. per month. The maintenance fund for the 7 vacant units is approximately RMB300. This amount will be reduced to zero when all 15 units are rented out.

5. The property tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Property Tax and Land Use Tax No. 89 [2003] of the Ministry of Finance. The current tax rate is 1.2% on cost. However, according to a notice issued by the People's Government of Shenzhen Municipality No.164 [1987], the landlord is free of property tax for the first three years starting from 19 October 2023.

6. The land use tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Property Tax and Land Use Tax No. 89 [2003] of the Ministry of Finance. Currently the rate is charged at RMB3 per sqm but is calculated based on land used, not gross area.

Without any other reliable source, the Directors are unable to ascertain the amount of any historical expenses in relation to the Target Properties, such as Government property tax, finance costs and shared common cost. While the Company cannot get access to the historical financial records, historical finance cost or shared common cost have no impact to the future operations of PASL. The Target Properties are free from any encumbrance and shall not bear any finance cost in the future. Any shared common cost charged to the Project Company before shall have no relevance to the future operation of PASL.

Details of the financial information attributable to the Target Properties are set out in Appendix II to this circular.

Although the Company could not produce a profit and loss statement in accordance with the disclosure requirement under Rule 14.67(6)(b)(i), the Company has based on the available information has reported the following information as alternative disclosures:–

a. a summary of the Tenancy Agreements including the monthly rental income;

b. the gross rental income for the Target Properties for the period from the commencement of the earliest Tenancy Agreement to the latest financial year end date; and

c. an estimate of the monthly expenses for the Target Properties payable by the landlord based on the terms of the Tenancy Agreements and the experience of Company

Some of the historical financial data not retrieved from the Project Company are either expected to be nil or bear no relevance to the future operations. As such, with the alternative disclosures, the directors were of the view that omission of a profit and loss statement for the Target Properties in the past would not render the Circular materially incomplete or misleading or deceptive.

5. INFORMATION ON THE PARTIES TO THE FURTHER AGREEMENT AND THE SETTLEMENT AGREEMENT

PASL

PASL is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

It was previously the production arm of the Group and engaged in the design and manufacturing of electroplating equipment. The production function has now been taken up by another wholly-owned subsidiary of the Group, Process Automation (China) Limited. As at the Latest Practicable Date, PASL is an investment holding company holding the interest of the arrangement contemplated under the Cooperative Reconstruction Agreement.

Shenzhen Warmsun

Shenzhen Warmsun is a company established in the PRC with limited liability and is principally engaged in the business of property development and management. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, it is ultimately owned as to 41.6% by Ms. He, 24.5% by Ms. Xiao MZ, 20.9% by Ms. Xiao JL and 13% by Mr. Xiao.

Project Company

The Project Company is a company established in the PRC with limited liability and is the approved developer for the Re-development. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, it is ultimately owned as to 60.8% by Ms. He, 19% by Mr. Xiao, 16.7% by Ms. Xiao JL and 3.5% by Ms. Xiao MZ.

Warmsun Holdings

Warmsun Holdings is an investment holding company established in the PRC with limited liability. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, it is ultimately owned as to 64% by Ms. He, 16% by Ms. Xiao JL and 20% by Mr. Xiao.

Pan-China Engineering

Pan-China Engineering is a company established in the PRC with limited liability and is principally engaged in the provision of construction services. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, it is ultimately owned as to approximately 66.6% by Ms. He, 16.7% by Ms. Xiao JL and 16.7% by Mr. Xiao.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Shenzhen Warmsun, the Project Company, Warmsun Holdings, Pan-China Engineering and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Warmsun Holdings and Pan-China Engineering provide a joint and several guarantee in favour of PASL or its designated entity to secure the performance obligations of Shenzhen Warmsun and the Project Company due to PASL for the Secured Obligations.

6. INFORMATION ON THE COMPANY

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. The Company is an investment holding company based in Asia providing advanced technologies to its customers worldwide, with various disciplines with particular strength in electroplating technologies for application in different applications or business segments.

7. REASONS AND BENEFITS FOR THE FURTHER AGREEMENT AND THE SETTLEMENT AGREEMENT

Since the second half of 2021, there have been dramatic changes to the macro environment in the property sector in China. Property developers had been confronted with unprecedented challenges with regard to liquidity and funding. In 2022, the Chinese authorities have introduced various stimulus measures to ensure a soft-landing on the property market. However, market sentiment remains very weak. Due to the weak market outlook of the property market in mainland China, it is difficult for the Project Company to make cash repayment.

As set out in the section headed "*Property Re-development Project in Longhua*" of the 2022 annual report of the Company, the Company would monitor the market situation as well as to keep the dialogue with the Project Company with respect to its payment obligations.

The Company considered the valuation of the Target Properties and the rental income when it negotiated with the Project Company for the partial settlement of the outstanding amount of the Secured Obligations.

The Target Properties were valued at approximately RMB205 million as at 9 October 2023 by an independent valuer. As the Group has been actively searching for business opportunities to diversify and broaden revenue sources of the Group and to generate returns and long-term value for the Shareholders, the Group intends to rent out the Target Properties following the completion of its transfer under the Settlement Agreement, which will generate income stream for the Group.

The Mortgage I is the first mortgage dated 2 June 2023 entered into by Ms. He in favour of ATNT Group Management in respect of Hong Kong Property I. The Mortgage II is the first mortgage dated 2 June 2023 entered into by Mr. Xiao and Ms. He in favour of ATNT Group Management in respect of Hong Kong Property II. The gross area of the Hong Kong Properties is approximately 4,402 square feet. According to the valuation report of the Hong Kong Properties prepared by AVISTA Valuation Advisory Limited dated 1 June 2023, the valuation of the Hong Kong Properties as at 31 May 2023 was HK$74,800,000.

Further, as the value of the Target Properties exceeded the value of the Hong Kong Properties, the Company agreed to discharge the Mortgages in return for the transfer of the Target Properties under the Further Agreement. The Company considers that the amendments to the credit enhancement arrangement under the Multi-party Collateral Agreement, including the entering into of the Settlement Agreement and the Guarantee provide additional security for the Project Company's Secured Obligations, which will further protect the interest of the Group.

As such, the Directors are of the view that the terms of the Further Agreement and the Settlement Agreement are fair and reasonable and are on normal commercial terms and the entering into of each of the Further Agreement and the Settlement Agreement is in the interest of the Company and the Shareholders as a whole.

The Company estimates the revenue contributed by property investment will be insignificant for the year ending 31 December 2023. As at the Latest Practicable Date, the Company does not have a detailed business plan for property investment. The Directors will continue to review the situation and will consider whether or not to commence a new business for property investment in 2024. The Company does not have any intention to dispose of, downsize or terminate any of its existing businesses.

8. FINANCIAL EFFECT OF THE SETTLEMENT AGREEMENT

(i) Effect on net assets

Upon completion of the title transfer of the Target Properties, the Group will record investment properties amounting to approximately RMB205 million. Upon completion of the discharge of the mortgage over the Hong Kong Properties, the deferred consideration will be reduced by approximately HKD 54,247,000 and the deferred tax liabilities will be reduced by approximately HKD 13,562,000. Considering also the effect on expenses described below, it is expected that the net assets of the Group will be increased by approximately HKD 118,975,000.

(ii) Effect on earnings

Pursuant to the terms of the Settlement Agreement, upon completion of the title transfer of the Target Properties and the issuance of fapiao (發票) to PASL, the Project Company will deem to have partially settled and PASL will deem to have partially received the Secured Obligations amounting to approximately RMB205 million. As a result, PASL will record an income of approximately RMB205 million with a corresponding tax expenses (stamp duty) of approximately RMB6,256,000. The estimated transaction cost in relation to the transactions contemplated under the Settlement Agreement is approximately HKD980,600.

With effect from 20 October 2023, the Group will also report rental income based on the terms of the Tenancy Agreements and any new tenancy agreements to be entered for those vacant units in year 2023. There will also be tax incurred in PRC for such income.

The unaudited pro forma financial information of the Group as set out in Appendix III to this circular has been prepared to illustrate the financial effects of the Settlement Agreement.

Shareholders should note that the actual amount of the gain or loss for the transactions contemplated under the Settlement Agreement and Tenancy Agreements to be recognised in the consolidated financial statements of the Group is subject to audit and therefore may be different from those amounts as disclosed above.

9. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Settlement Agreement is 25% or more but below 100%, the transactions contemplated under the Settlement Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no Shareholder has any material interest in the Settlement Agreement and the transactions contemplated thereunder, and therefore no Shareholder would be required to abstain from voting if the Company were to convene a special general meeting for the approval of the Settlement Agreement and the transactions contemplated thereunder. The Company has obtained the written approval of the Settlement Agreement and the transactions contemplated thereunder by a closely allied group of Shareholders comprising Medusa, Karfun and J & A, which are all controlled by Mr. Lam. Each of Mr. Lam, Medusa, Karfun and J & A holds 3,474,667 Shares, 48,520,666 Shares, 201,995,834 Shares and 19,400,000 Shares respectively, together holding approximately 69.40% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Settlement Agreement and the transactions contemplated thereunder.

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Asia Tele-Net and Technology Corporation Limited
Lam Kwok Hing ***M.H., J.P.***
Chairman and Managing Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 were set out in the relevant annual reports of the Company and the relevant interim report of the Company posted on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (www.atnt.biz). Please also see below quick links to the relevant financial reports:

(a) Annual report of the Company for the year ended 31 December 2020 published on 29 April 2021 (pages 52 to 138):
https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900453.pdf

(b) Annual report of the Company for the year ended 31 December 2021 published on 29 April 2022 (pages 50 to 132):
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042902540.pdf

(c) Annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 49 to 132):
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0417/2023041700863.pdf

(d) Interim report of the Company for the six months ended 30 June 2023 published on 14 September 2023 (pages 32 to 54):
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0914/2023091400656.pdf

2. STATEMENT OF INDEBTEDNESS

As at 31 January 2024, being the latest practicable date for the purpose of preparing the indebtedness statement, the Group had a bank borrowing of HK$31,523,000, which was secured by certain Hong Kong properties held by the Group and was guaranteed by a former shareholder of a subsidiary of the Group, and lease liabilities of approximately HK$13,340,000, which were secured by rental deposits and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 January 2024, any other debt securities issued or outstanding, or authorised or otherwise created but unissued, any other terms loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any material contingent liabilities.

3. WORKING CAPITAL OF THE GROUP

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources including the internally generated funds as well as the effect of the transactions contemplated under the Settlement Agreement, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Business review on electroplating equipment in Printed Circuit Boards ("PCB") sector

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

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.

In the third quarter of 2023, worldwide smartphone shipments experienced a marginal 0.1% decline, totaling 302.8 million units, as per preliminary data from the International Data Corporation ("**IDC**").

Top 5 Companies, Worldwide Smartphone Shipments, Market Share, and Year-Over-Year Growth, Q3 2023 (Preliminary results, shipments in millions of units)

Company	3Q23 Shipments	3Q23 Market Share	3Q22 Shipments	3Q22 Market Share	Year-Over-Year Change
1. Samsung	59.5	19.7%	65.0	21.4%	-8.4%
2. Apple	53.6	17.7%	52.3	17.2%	2.5%
3. Xiaomi	41.5	13.7%	40.5	13.4%	2.4%
4. OPPO	27.0	8.9%	28.9	9.5%	-6.5%
5. Transsion	26.0	8.6%	19.2	6.3%	35.0%
Others	95.1	31.4%	97.2	32.1%	-2.1%
Total	**302.8**	**100.0%**	**303.1**	**100.0%**	**-0.1%**

Source: IDC on 26 October 2023

Despite ongoing economic uncertainties, soft demand, inflation, and geopolitical tensions, some vendors are cautiously increasing their shipments, following a significant 6.8% year-over-year decline in global smartphone shipments in the previous quarter. Although the decline has narrowed, annual worldwide smartphone shipments are forecast to drop from 1.21 billion units in year 2022 to 1.15 billion units in year 2023.

Business review on electroplating equipment in surface finishing ("SF") sector

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

The revenue of SF sector, for past few years, was mainly streamed from multinational companies selling automotive parts. Trend of global car sales will have impact over our equipment sales.

According to an analytical report released by INK Think recently, light vehicle sales saw a strong rebound in 2023, reflecting a demand overhang from previous years which were disrupted by the Covid-19 pandemic and supply chain interruptions. The top three largest auto markets remain China, the United States and Europe.

Car sales in China soared by 13.8% year-on-year in October 2023 to 2.85 million units, marking the third consecutive month of growth. It is believed that the increase in sales was boosted by a series of auto shows and promotion activities amid recent new model launches.

Despite Ongoing United Auto Workers strike and political uncertainties, car sales in the United States are expected to rise by nearly 4% on year-over-year basis according to October data.

Car sales in Europe has reported a moderate growth between 2-3% increase for the month of October 2023 but the year-to-date numbers remain in negative territory.

The process of electrification continued to progress over the course of this year, with China leading among the three key regional auto markets. The share of the new energy vehicle sales in China has exceeded 30% in the fiscal year of 2023.

Outlook

With a relatively weak global demand over smartphone but a recovering car sales market, we are confident that our revenue in year 2023 will be a bit higher than last year. However, we remain cautious over our general financial performance such as our gross profit and overhead level because of inflation. With bank interest staying high at the region between 4-6%, cost of borrowing is high and it suppresses capital investment sentiment. High interest rate also squeezes down cash liquidity, the management will stay alert on general commercial risks such as bad debt risk.

PROFIT AND LOSS STATEMENT OF THE TARGET PROPERTIES

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement for the three preceding financial years ended 31 December 2021, 2022 and 2023 (the "**Relevant Financial Year**") on identifiable net income stream and valuation in relation to the Target Properties which must be reviewed by the auditor or reporting accountant to ensure that such information has been properly compiled and derived from the underlying books and records.

The Target Properties are retail properties situated at Longhua District, Shenzhen, PRC with a total gross area of 3,493.28 sq.m. and comprise of 15 units. 8 out of 15 units are currently let to independent third parties. Despite requests made by the Group and PASL, the Project Company has not agreed to grant permission for the Group or PASL to gain full access to the underlying books and records or other financial information regarding the direct costs and other expenses paid or payable by the Project Company. As such, the Group is unable to fully comply the disclosure requirement under Rule 14.67(6)(b)(i) of the Listing Rules.

The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with the Rule 14.67(6)(b)(i), such that the following information be disclosed instead. Although the Company is not able to provide the profit and loss statement of the Target Properties, based on the experience of the management team and the terms of the Tenancy Agreements, the Company has made alternate disclosures as follows:–

a. Income side

Pursuant to the terms of the Tenancy Agreements, set out below is the actual rental income for the Relevant Financial Years.

	For the year ended 31 December 2023 (unaudited)	**For the year ended 31 December 2022 (unaudited)**	**For the year ended 31 December 2021 (unaudited)**
	RMB'000	*RMB'000*	*RMB'000*
Gross rental income *(Note 1)*	3,213	1,056	244
Value-added taxes *(Note 2 and 3)*	215	63	14
Net rental income *(Note 1 and 3)*	2,998	993	230

Notes:

1. The gross rental income disclosed is inclusive of value-added taxes and exclusive of management fees and maintenance fund.

2. The value-added tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Deepening Value-Added Tax Reform No. 39 [2019] of the Ministry of Finance. The current tax rate is 9%.

3. The value-added tax is included in the monthly rental income and is therefore effectively paid by the tenants. The landlord will refund the tax collected to the government. As far as the landlord is concerned, only net rental income will be booked as its income.

The Directors engaged Messrs. Deloitte Touche Tohmatsu, the reporting accountant of the Company to conduct certain agreed upon procedures in respect of the rental income of the Property, in accordance with Hong Kong Standard on Related Services 4400 (Revised) "Agreed-Upon Procedures Engagements" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The procedures performed are summarised as follows:

1 The reporting accountant obtained the schedule setting out the location, names of tenants, lease period, monthly rental (VAT inclusive) and rent free period for the years ended 31 December 2021, 2022 and 2023 from the management of the Company (the "**Rental Income Summary**") and checked the arithmetical accuracy of the total rental income for the years ended 31 December 2021, 2022 and 2023. The Rental Income Summary was prepared by and the sole responsibility of the directors of the Company.

2 From the Rental Income Summary, the reporting accountant agreed the location, names of tenants, lease period, monthly rental (VAT inclusive) and rent free period (the "**Particulars**") to the tenancy agreements or copy of rent roll reports, as applicable.

The agreed-upon procedures engagement is not an assurance engagement. Accordingly, the reporting accountant of the Company do not express any opinion or assurance conclusion. Had the reporting accountant performed additional procedures, other matters might have come to the reporting accountants' attention that would have been reported to the Directors.

b. Expense side (for expenses to be incurred after completion of the transfer of the Target Properties)

Having reviewed the terms of the Tenancy Agreements, the tenants are responsible for management fees, air-conditioning charges, utilities expenses, contribution to maintenance fund, repair cost for normal uses (save and except those of a capital or non-recurring nature) and all other outgoings while the landlord is responsible for Government property tax.

The Project Company, being the landlord of the Target Properties, has to pay to the building management company (i) the management fees (ii) contribution to maintenance fund (iii) property tax and (iv) land use tax for those vacant units during the vacant period.

For those vacant units, there should not be any air-conditioning charges, utilities expenses, repair cost for normal uses and all other outgoings. The retail properties are first-handed properties transferred directly from the property developer and was completed in around 2020. There should not be any major repair cost of any capital nature in year 2021, 2022 and 2023.

It is expected that the estimated monthly expense to be incurred for the Target Properties after the completion of the transfer of titles shall be as follows:

		Estimated monthly recurring expenses
		RMB'000
Management fee (net of value-added tax)	*(Note 1, 2, 3)*	9.4
Maintenance fund	*(Note 4)*	0.3
Property tax	*(Note 5)*	0
Land use tax	*(Note 6)*	0.1
TOTAL		9.8

Notes:

1. The management fees are charged at RMB9.8 per sq.m. per month and is inclusive of value-added tax. The monthly management fees for the 7 vacant units is approximately RMB10,000. This amount will be reduced to zero when all 15 units are rented out.

2. The value-added tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Deepening Value-Added Tax Reform No. 39 [2019] of the Ministry of Finance. The current tax rate is 6%. For the 7 vacant units, the value-added taxes is approximately RMB600.

3. The landlord can offset the value-added tax paid for the management fees against the value-added tax collected from its rental income. Because of this mechanism, only the net monthly management fees ie approximately RMB9,400 will be booked as expenses.

4. The maintenance fund is charged at RMB0.25 per sq.m. per month. The maintenance fund for the 7 vacant units is approximately RMB300. This amount will be reduced to zero when all 15 units are rented out.

5. The property tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Property Tax and Land Use Tax No. 89 [2003] of the Ministry of Finance. The current tax rate is 1.2% on cost. However, according to a notice issued by the People's Government of Shenzhen Municipality No.164 [1987], the landlord is free of property tax for the first three years starting from 19 October 2023.

6. The land use tax is calculated according to the provisions under the Regulations of the State Administration of Taxation, General of the People's Republic of China on Relevant Policies for Property Tax and Land Use Tax No. 89 [2003] of the Ministry of Finance. Currently the rate is charged at RMB3 per sqm but is calculated based on land used, not gross area.

Without any other reliable source, the Directors are unable to ascertain the amount of any historical expenses in relation to the Target Properties, such as Government property tax, finance costs and shared common cost. While the Company cannot get access to the historical financial records, historical finance cost or shared common cost have no impact to the future operations of PASL. The Target Properties are free from any encumbrance and shall not bear any finance cost in the future. Any shared common cost charged to the Project Company before shall have no relevance to the future operation of PASL.

Although the Company could not produce a profit and loss statement in accordance with the disclosure requirement under Rule 14.67(6)(b)(i), the Company has based on the available information has reported the following information as alternative disclosures:–

a. a summary of the Tenancy Agreements including the monthly rental income;

b. the gross rental income for the Target Properties for the period from the commencement of the earliest Tenancy Agreement to the latest financial year end date; and

c. an estimate of the monthly expenses for the Target Properties payable by the landlord based on the terms of the Tenancy Agreements and the experience of Company.

Some of the historical financial data not retrieved from the Project Company are either expected to be nil or bear no relevance to the future operations. As such, with the alternative disclosures, the directors were of the view that omission of a profit and loss statement for the Target Properties in the past would not render the Circular materially incomplete or misleading or deceptive.

(A) BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") of the Group has been prepared in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants and is solely for the purpose to illustrate the impact of the Further Agreement and Settlement Agreement ("**Transaction**") on the Group as if the Transaction had been completed on 30 June 2023.

The unaudited pro forma consolidated statement of assets and liabilities of the Group is prepared based on the consolidated statement of financial position of the Group as at 30 June 2023 which has been extracted from the published interim report of the Group for the six months ended 30 June 2023, after making unaudited pro forma adjustments that are (i) directly attributable to the Transaction and (ii) factually supportable, as if the Transaction had been completed on 30 June 2023.

The Unaudited Pro Forma Financial Information has been prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information for illustrative purpose only and because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the assets and liabilities of the Group upon completion of the Transaction as of 30 June 2023 or at any future dates.

(B) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

	The Group at 30 June 2023 (Unaudited)	**Pro forma adjustments**				**Unaudited pro forma total for the Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2a*	*Note 2b*	*Note 2c*	*Note 3*	
Non-current assets						
Property, plant and equipment	29,725					29,725
Investment properties	–	223,294				223,294
Deferred Consideration	433,967		(54,247)			379,720
Loans receivable	25,747					25,747
Investments in debt instruments	305,130					305,130
Interests in associates	–					–
	794,569					963,616

	The Group at 30 June 2023 (Unaudited)		Pro forma adjustments			Unaudited pro forma total for the Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2a*	*Note 2b*	*Note 2c*	*Note 3*	
Current assets						
Inventories	31,937					31,937
Loans receivable	6,938					6,938
Contract assets	68,157					68,157
Debtors and prepayments	78,576					78,576
Investments at fair value through profit or loss	185,999					185,999
Investments in debt instruments	377,845					377,845
Amounts due from associates	104					104
Taxation recoverable	1,243					1,243
Pledged bank deposits	1,302					1,302
Bank balances and cash	164,371				(7,800)	156,571
	916,472					908,672
Current liabilities						
Creditors and accrued charges	155,576					155,576
Other payables	1,000					1,000
Dividend payable	7,879					7,879
Warranty provision	15,717					15,717
Contract liabilities	105,560					105,560
Bank borrowing	27,484					27,484
Lease liabilities	2,175					2,175
Taxation payable	7,825			55,824		63,649
	323,216					379,040
Net current assets	593,256					529,632
Total assets less current liabilities	1,387,825					1,493,248
Non-current liabilities						
Warranty provision	2,880					2,880
Lease liabilities	4,270					4,270
Deferred tax liabilities	114,384			(13,562)		100,822
	121,534					107,972
Net assets	1,266,291					1,385,276

Notes:

(1) The amounts are extracted from the unaudited consolidated financial statements of the Group as at 30 June 2023 as set out in the interim report of the Company for the six months ended 30 June 2023.

(2) Pursuant to the terms of Transaction, the Project Company, which is the debtor of the Deferred Consideration, agreed to transfer the title of the Target Properties to PASL as partial settlement of Deferred Consideration with the principal amount of approximately RMB205 million (equivalent to approximately HK$223 million, translated by using an exchange rate of RMB1 to HK$1.09). At the same time, the mortgages of the certain properties located in Hong Kong owned by the related parties of the Project Company previously provided to the Group as collateral for the Deferred Consideration ("**HK Properties**") will be discharged.

a. Recognition of investment properties

The Target Properties were currently held for rental and it is expected that PASL will continue to hold the Target Properties for the same purpose. The investment properties are initially measured at cost, which represent the fair value of the Target Properties as at 9 October 2023 carried out by an independent valuer amounting to approximately RMB205 million (approximately HK$223 million) as set out in Appendix IV to the Circular. For simplicity, it is assumed the fair value of the Target Properties as at 30 June 2023 is the same as that as at 9 October 2023.

b. Partial derecognition and remeasurement of expected credit loss of Deferred Consideration

As disclosed in the interim condensed consolidated financial statements of the Company for the six months ended 30 June 2023, the measurement of expected credit loss has considered the amount and timing of cash flows that are expected from the foreclosure on the pledged properties (including the HK Properties). This adjustment illustrates the combined effect of partial derecognition of Deferred Consideration amounting to HK$223 million and the remeasurement gain of expected credit loss resulting from the partial settlement by Target Properties that previously not provided to the Group as collateral and change in collaterals amounting to HK$169 million, as a result causing the decrease of HK$54 million in the carrying amount of Deferred Consideration.

c. Recognition of tax impact

The Group recognised Enterprise Income Tax obligations which is arising from the partial settlement of Deferred Consideration and is payable by PASL amounting to approximately RMB51 million (equivalent to approximately HK$56 million). The Group also recognised a net decrease in deferred tax liability of HK$14 million in connection with the partial derecognition and remeasurement of expected credit loss of Deferred Consideration.

(3) The adjustment reflects the recognition of the transaction costs directly attributable to the Transaction, which are estimated to be approximately HK$7,800,000.

(4) No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2023.

(5) In respect of all RMB amounts presented in this Appendix, no representation is made that RMB denominated amounts have been, could have been or could be converted to HK$, or vice versa, at that rate or at any other rates or at all.

The following is the text of the independent reporting accountants' assurance report received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asia Tele-Net and Technology Corporation Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2023 and related notes as set out on pages III-1 to III-3 of the circular issued by the Company dated 23 February 2024 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-3 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Transaction (as defined in page III-1 to the Circular) on the Group's financial position as at 30 June 2023 as if the transaction had taken place at 30 June 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2023, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 February 2024

The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this circular received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 December 2023 of the property interests held by the Group.

AVISTA Valuation Advisory
艾 華 迪 評 估 諮 詢

Suites 2401-06, 24/F, Everbright Centre, 108 Gloucester Road,
Wan Chai, Hong Kong

TEL：+852 3702 7338 FAX：+852 3914 6388
info@avaval.com
www.avaval.com

23 February 2024

The Board of Directors
Asia Tele-Net and Technology Corporation Limited
Room 607–610, 6/F, Tai Yau Building,
181 Johnston Road
Wanchai, Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions from Asia Tele-Net and Technology Corporation Limited (亞洲聯網科技有限公司) (the "**Company**") for us to carry out the valuation of the property interest (the "**Property**") located in the People's Republic of China (the "**PRC**") transferred from Shenzhen Bao Sheng Long Yue Industrial Investment Company Limited (深圳市寶盛龍悅實業投資有限公司) (the "**Project Company**") to the Company and its subsidiaries (hereinafter together referred to as the "**Group**"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 December 2023 (the "**Valuation Date**").

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards published from time to time by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In the course of our valuation of the Property in the PRC, we have relied on the advice given by the Company and its legal adviser, being Zhong Lun Law Firm (中倫律師事務所) (the "**PRC Legal Adviser**"), regarding the title to the Property.

In valuing the Property, we have relied on a legal opinion regarding the property interests provided by the PRC Legal Adviser dated 30 October 2023 (the "**PRC Legal Opinion**"). Unless otherwise stated, the Group has legally obtained the land use rights and building ownership of the Property.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

In valuing the property interests held by the Group, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Property in the PRC. Where possible, we have examined the original documents to verify the existing title to the Property in the PRC and any material encumbrance that might be attached to the Property or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Adviser, concerning the validity of title of the Property in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the Property. The site inspections were carried out on 3 November 2023 by Samuel Lau (Senior Valuer) who has about 5 years' experience in the valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the Property is free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the PRC Legal Adviser or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of Property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation certificate is attached.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Notes: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in the valuation of properties including Hong Kong, the PRC, the U.S., East and Southeast Asia.

VALUATION CERTIFICATE

Property interests held for investment by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 *RMB*
1.	Units 102-111, 144, 148-151, Block 1, Huasheng Longyue Garden, Longhua District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市龍華區華盛瓏悅花園1棟102-111, 144,148-151室)	The property comprises 15 commercial duplex units on the ground floor and first floor of Building D and F, Block 1, Huasheng Longyue Garden, completed in about 2020. The total gross floor area of the property is approximately 3,493.28 sq.m. Units 144,148-151 are located near the junction of Hongshang Road and Jinglong Taiping Road while units 102-111 are located at the southeast of the junction of Donghuan First Road and Jinglong Jianshe Road. The property is located at the development named Huasheng Longyue Garden in Longhua District of Shenzhen City, with approximately 1.3km to Longhau Station of the Shenzhen Metro. The locality of the property is characterized by a mixture of commercial and residential developments of various ages. The land use rights of the property have been granted for a term expiring on 20 March 2087 for commercial use.	The property with a gross floor area of 2601.67 sq.m. was leased to tenants for commercial use 9 (shops) as at the Valuation Date. The remaining portion of the property was vacant.	205,206,200 (100% interest attributable to the Group: RMB 205,206,200)

Notes:

1. Pursuant to 15 Real Estate Ownership Certificates issued by Shenzhen Municipal Planning and Natural Resources Bureau (深圳市規劃與自然資源局), the land use rights of a term expiring on 20 March 2087 for commercial use and building ownership of the property with a total gross floor area of 3,493.28 sq.m. for commercial use have been vested to Baolong Automatism Machinery (Shenzhen) Limited Company (寶龍自動機械 (深圳) 有限公司), with the details as follows:

Real Estate Ownership Certificate No.	Issue Date	Gross Floor Area *(sq.m.)*
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617676	19 October 2023	129.41
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617666	19 October 2023	8.66
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617672	19 October 2023	143.64
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617671	19 October 2023	105.78
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617669	19 October 2023	95.78
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617668	19 October 2023	93.23
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617663	19 October 2023	153.79
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617651	19 October 2023	152.81
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617657	19 October 2023	127.71
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617647	19 October 2023	98.89
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617469	19 October 2023	1,418.84
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617467	19 October 2023	261.52
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617462	19 October 2023	187.66
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617459	19 October 2023	234.53
Yue (2023) Shen Zhen Shi Bu Dong Chan Quan Di No. 0617454	19 October 2023	281.03

2. Pursuant to 8 tenancy agreements and advised by the Company, the property with a gross floor area of 2,354.51 sq.m. was leased to 8 independent third parties for shops use at a total fixed monthly rent of RMB 272,452.57 (exclusive of value-added tax, management fees and utility fees) for various terms with the expiry dates from 14 December 2025 to 30 October 2034.

3. Pursuant to a tenancy agreement and advised by the Company, the property with a gross floor area of 247.16 sq.m. was leased to an independent third party for shops use. The annual rent (inclusive of value-added tax and exclusive of management fees and utility fees) falls within a range of percentage of tenant's annual revenue with the expiry date of 25 August 2033.

4. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following: -

   a. The Group has legally and validly obtained the land use rights and the building ownership of the property under the terms of the Real Estate Ownership Certificate.

   b. The property was not pledged, seized or subjected to any encumbrances; and

   c. The Group has the right to freely occupy, use, transfer, dispose, lease and mortgage the property.

5. Our valuation has been made on the following basis and analysis:

   In the course of our valuation of the property, we have made references to relevant comparables in the locality which have similar characteristics as the subject property such as nature, use and accessibility. The adjusted unit prices of the comparables are ranging from RMB 74,100 to RMB 89,300 per sq.m. and RMB 37,000 to RMB 44,700 per sq.m. for retail units on ground floor and first floor respectively. The unit rates adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, time and size, etc.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive in the Shares, underlying Shares and/or debentures of the Company and its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the Shares, underlying Shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange:

Long position in Shares

	Number of Shares held			
Name of Director	**Personal interest**	**Corporate interest**	**Total**	**Percentage of the issued share capital of the company**
Mr. Lam Kwok Hing	3,474,667	269,916,500 *(Note)*	273,391,167	69.40%

Note: The amount composed of 48,520,666, 201,995,834 and 19,400,000 Shares that were held by Medusa, Karfun and J & A respectively as at the Latest Practicable Date. Medusa is a company wholly-owned by Mr. Lam. Karfun is owned by J & A for approximately 98.63%. Mr. Lam owns 80% shareholding in J & A.

(b) Interests and short positions of the substantial shareholders of the Company in the Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity	Total	Percentage of the issued share capital of the company
Medusa	Beneficial owner	48,520,666	12.32%
Karfun	Beneficial owner	201,995,834	51.27%
J & A	Beneficial owner	19,400,000	4.92%

Save as disclosed above, no other person (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares or underlying Shares as recorded in the register kept by the company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business which competes or is likely to compete either directly or indirectly with the Group's business pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which is not determinable by any member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business of the Group) which have been entered into by the Group within the two years immediately preceding the date of this circular:

(a) the original Multi-party Collateral Agreement dated 31 December 2021 entered into between PASL, Shenzhen Warmsun, the Project Company, PAL and Singkei, pursuant to which additional security were provided for the Project Company's repayment obligations under the fourth supplemental agreement to the Relocation Compensation Agreement dated 9 September 2019 (the "**Fourth Supplemental Agreement**");

(b) the agreement dated 16 May 2022 entered into between PASL and the Project Company, pursuant to which the Project Company agreed to provide a first legal charge for 7,922 sq.m. of the office space as security for the Project Company's repayment obligations under the Fourth Supplemental Agreement;

(c) the second supplemental agreement to the Multi-party Collateral Agreement dated 2 June 2023 entered into between PASL, Shenzhen Warmsun, the Project Company, PAL and Singkei, pursuant to which the parties agreed to certain enhancement arrangement to secure the Project Company's repayment obligations under the Fourth Supplemental Agreement;

(d) the Further Agreement;

(e) the Settlement Agreement;

(f) the acquisition of deposit product dated 26 October 2023 for a consideration of RMB59.94 million;

(g) the share transfer agreement dated 1 November 2023 entered into between Prosmart Developments Limited, Pan-China Construction Investment Co., Limited and Shine Sky International Limited in relation to the acquisition of sale shares in Treasure Chance Properties Limited; and

(h) the share transfer agreement dated 1 November 2023 entered into between Cheer Point Corporation Limited and Shenzhen Warmsun in relation to the acquisition of sale shares in Singkei Real Estate Investment Co., Limited.

(i) the seventh supplemental agreement dated 29 November 2023 entered into between PASL, the Project Company and Shenzhen Warmsun in relation to settlement arrangement through acquiring 14,008.56 sq.m. of office units located at Longhua, Shenzhen.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. EXPERTS AND CONSENTS

The following is the qualification of the experts who have been named in this circular or have given opinions, letters or advice contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified public accountants and Registered Public Interest Entity Auditor
AVISTA Valuation Advisory Limited	Property valuer

As at the Latest Practicable Date, each of the above experts (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

10. GENERAL

(a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(b) The head office and principal place of business of the Company is situated at Rooms 607-610, 6/F, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) Ms. Yung Wai Ching, Ada ("**Ms. Yung**") is the company secretary of the Company and the Deputy General Manager of the Group. Ms. Yung joined the Group in 1998. 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.

(e) This circular is prepared in both English and Chinese. In the event of inconsistency, English text shall prevail over its Chinese text unless otherwise specified.

11. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be on display on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (www.atnt.biz) for a period of 14 days from the date of this circular:

(a) the Further Agreement;

(b) the Settlement Agreement;

(c) the report of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this circular;

(d) the valuation report of the Target Properties as at 9 October 2023;

(e) the valuation report of the Target Properties as at 31 December 2023, the text of which is set out in Appendix IV to this circular;

(f) the written consents referred to in the section headed "Experts and Consents" in this Appendix; and

(g) this circular.