
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 stockbroker or other registered dealer 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 Ltd**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 679)

VERY SUBSTANTIAL DISPOSAL

A notice convening the EGM to be held at 2/F, 11 Dai Hei Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on 13 October 2011 at 11:00 a.m. is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the meeting in person, you are advised to read the notice and complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar and transfer office, Tricor Secretaries Limited, at 26/F, Tesburg Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

19 September 2011

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DEFINITIONS

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

“Agreement”	an agreement dated 7 August 2011 entered into between PASL and Shenzhen WarmSun in relation to the Arrangement
“Announcement”	the announcement of the Company dated 22 August 2011 in relation to the Agreement and the Arrangement
“Arrangement”	the arrangement contemplated under the Agreement, pursuant to which PASL shall vacate from the Land, demolish the Buildings and deliver the Land to Shenzhen WarmSun for Re-development, in consideration of which, Shenzhen WarmSun (or the Project Company) shall pay the Consideration to PASL
“Board”	the board of Directors
“Buildings”	the existing buildings and structures built or erected on the Land
“Company”	Asia Tele-Net and Technology Corporation Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Consideration”	comprises (i) a relocation compensation of RMB50 million (equivalent to approximately HK\$61 million), to be paid by Shenzhen WarmSun and/or the Project Company to PASL; and (ii) the title to the Relevant Property to be transferred to PASL
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at 11:00 a.m. on 13 October 2011 for the Shareholders to consider and, if thought fit, approve, among others, the Agreement and the transactions contemplated thereunder (including but not limited to the Arrangement)
“GSAL”	Grant Sherman Appraisal Limited, an independent property valuer
“Group” or “we”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	two parcels of industrial land numbered A824-26 and A824-8 located at No. 8 Industrial Zone, Lung Hua Street, Bao An District, Shenzhen (深圳市寶安區龍華街道辦第八工業區，八一路與東環一路交匯處西北角)
“Latest Practicable Date”	15 September 2011, being the latest practicable date prior to the printing of this circular for inclusion of certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PASL”	寶龍自動機械(深圳)有限公司 (Process Automation (Shenzhen) Limited), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Property”	the Land and the Buildings
“Project Company”	a project company to be established in the PRC by Shenzhen Warmsun, for the purpose of undergoing the Re-development pursuant to the Re-development Contract
“Re-developed Property”	the properties, buildings or structures to be built by the Project Company on the Land pursuant to the Re-development
“Re-development”	the re-development work (including but not limited to application to relevant responsible bodies of the PRC government, provision of all required funding, design and construction of the Re-developed Property) to be procured on the Land pursuant to the Re-development Contract, upon which the Land will be converted from industrial land into residential properties for re-sale
“Re-development Contract”	a contract to be entered into between PASL and the Project Company in relation to the Re-development
“Relevant Property”	a 41,000 sq.m. of the Re-developed Property
“Relevant Shareholders”	a closely allied group of Shareholders, being Karfun Investment Ltd, Medusa Group Limited and Mr. Lam Kwok Hing holding 47.37%, 11.38% and 0.81% interests in the Company, respectively

DEFINITIONS

“Relocation Compensation Agreement”	an agreement to be entered into between PASL and the Project Company in relation to compensation payable and the Relevant Property
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Warmsun”	深圳市華盛房地產開發有限公司 (Shenzhen Warmsun Real Estate Development Company Limited), a company established in the PRC with limited liability principally engaged in property development business in the PRC
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For illustration purposes, amounts in RMB in this circular have been translated into HK\$ at HK\$1.00 = RMB0.82.

LETTER FROM THE BOARD



ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 679)

Executive Directors:

Mr. Lam Kwok Hing *(Chairman and Management Director)*

Mr. Nam Kwok Lun *(Deputy Chairman)*

Independent Non-Executive Directors:

Mr. Cheung Kin Wai

Mr. Kwan Wang Wai Alan

Mr. Ng Chi Kin David

Registered Office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

*Head Office and Principal Place
of Business:*

11 Dai Hei Street

Tai Po Industrial Estate

Tai Po, New Territories

Hong Kong

19 September 2011

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Agreement and the Arrangement.

The purpose of this circular is to provide you with further information relating to, amongst other things, details of the Agreement and the Arrangement, notice of the EGM and such other information as required under the Listing Rules.

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date: 7 August, 2011

LETTER FROM THE BOARD

Parties:

- (1) PASL
- (2) Shenzhen Warmsun

The Company and Shenzhen Warmsun have not entered into any transaction of a similar nature in the past 12 months that would need to be aggregated in accordance with Rule 14.22 of the Listing Rules.

The Arrangement

Pursuant to the Agreement, PASL has agreed to vacate from the Land, demolish the Buildings and deliver the Land to Shenzhen Warmsun for Re-development and PASL will be responsible for all costs in relation to such demolition and relocation. The demolition and relocation costs, including transportation as well as renovation costs and expenses associated with the new production base of the Group, are estimated to be around RMB10 million (equivalent to approximately HK\$12 million). In consideration of the Arrangement, Shenzhen Warmsun and/or the Project Company shall (i) pay a relocation compensation of RMB50 million (equivalent to approximately HK\$61 million) to PASL; and (ii) transfer the title of the Relevant Property to PASL.

Shenzhen Warmsun will be responsible for the Re-development and the Project Company will be established by Shenzhen Warmsun within 30 days upon signing of the Agreement for the purpose of the Re-development. The Project Company will further enter into the Re-development Contract and the Relocation Compensation Agreement with PASL within 30 days of the establishment of the Project Company.

In addition, PASL and Shenzhen Warmsun have agreed to the following timeline in relation to the Re-development:–

- (a) by the earlier of (i) two years after the signing of the Re-development Contract; or (ii) 26 months of the date of the Agreement, the Project Company shall have completed the application for town re-development and the Re-development shall have been listed as a “Town re-development formulated plan of the State” (政府城市更新規劃制定計劃) (“**Completion of Registration**”);
- (b) within six months upon receiving (i) the third relocation deposit (as described below); and (ii) written notice from Shenzhen Warmsun (“**Receipt of Notice**”), PASL shall have completed all the demolition work on the Land and deliver the Land to the Project Company;
- (c) upon completion of (b) above and by not later than 38 months of the date of the Agreement, the Project Company shall have entered into a “Sale of land use rights contract” (土地使用權出讓合同書) with the relevant responsible body of the PRC government;

LETTER FROM THE BOARD

- (d) within 64 months of the date of the Agreement, the Project Company shall have completed the Re-development and the Re-developed Property shall have met the pre-sale conditions and obtained the relevant “Pre-sale certificate” (預售許可證);
- (e) upon the final construction plan being approved by the relevant responsible body of the PRC government, the Project Company and PASL shall enter into a property selection agreement whereby the Relevant Property shall be clearly identified;
- (f) within three years of completion of (c) above and by not later than 75 months of the date of the Agreement, the Project Company shall have (i) completed construction of the Re-developed Property; and (ii) obtained the relevant completion of construction certificate from the responsible body of the PRC government; and
- (g) within 42 months of the signing of the “sale of land use rights contract” (土地使用權出讓合同書) as described in (c) above and by not later than 80 months of the date of the Agreement, the title of the Relevant Property shall have been registered under the name of PASL.

Consideration

The Consideration comprises (i) a relocation compensation of RMB50 million (equivalent to approximately HK\$61 million) to be paid by Shenzhen Warmsun and/or the Project Company to PASL; and (ii) the title to the Relevant Property, which is estimated to represent a monetary value ranging from RMB615 million to RMB820 million (equivalent to approximately HK\$750 million to HK\$1,000 million), to be transferred to PASL. The estimated monetary value of the Relevant Property is determined by the Company with reference to the prevailing market prices of residential properties in Bao An District, Shenzhen, the PRC, ranging from approximately RMB15,000 per sq.m. to RMB20,000 per sq.m. on the assumption that the market price of the Relevant Property six years from now (which is around the time when the title of the Relevant Property will be transferred to PASL) will be more or less the same as the prevailing market prices of similar properties at present assuming that the market price of residential properties in Bao An District, Shenzhen, the PRC, will have a moderate increase in price and being offset by the discounting effects of (i) the tightened polices and regulations over the property development sector in the PRC; and (ii) possible increase in interest rates (the “**Prevailing Market Prices Assumption**”). The Directors consider the Prevailing Market Prices Assumption is fair and reasonable.

The Consideration was determined after arm’s length negotiation with reference to (i) the net book value of the Property as at 31 December 2010; (ii) the tightened polices and regulations over the property development sector in the PRC; and (iii) the prevailing market prices of residential properties in Bao An District, Shenzhen, the PRC. The Company has engaged GSAL to ascertain (i) the market value of the Property; and (ii) the gross development value of the Relevant Property, as at 31 July 2011. According to GSAL, market value represents the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion; and gross development value represents the market value of a property assuming it has been completed, has obtained all necessary consents, is vacant and available for sale in the market. For the purpose of determining the market value of the Property, GSAL has

LETTER FROM THE BOARD

considered the depreciated replacement cost for assessing the market value as at the existing state; and for the purpose of determining the gross development value of the Relevant Property, GSAL has employed the direct comparison approach for such assessment on the assumption that the land use premiums have been fully settled.

Based on the valuation report (the “**Valuation Report**”) prepared by GSAL, the market value of the Property and the gross development value of the Relevant Property was RMB45 million (equivalent to approximately HK\$55 million) and RMB800 million (equivalent to HK\$976 million), respectively, as at 31 July 2011. Please refer to appendix II to this circular for the Valuation Report.

Terms of Payment

The relocation compensation of RMB50 million (equivalent to approximately HK\$61 million) is payable in cash in the following manner:

- (a) an initial relocation deposit of RMB30 million (equivalent to approximately HK\$37 million) (the “**Initial Relocation Deposit**”) had been paid by Shenzhen WarmSun to PASL upon signing of the Agreement (which shall be refunded in full to Shenzhen WarmSun if, amongst others, the Agreement and the transactions contemplated thereunder are not being approved by the Shareholders at the EGM);
- (b) a second relocation deposit of RMB10 million (equivalent to approximately HK\$12 million) shall be paid by the Project Company to PASL within two months of signing of the Re-development Contract and the Relocation Compensation Agreement; and
- (c) a third relocation deposit of RMB10 million (equivalent to approximately HK\$12 million) shall be paid by the Project Company to PASL within 30 days upon Completion of Registration.

Upon PASL completing demolition of the Buildings, all relocation deposits (whether paid by Shenzhen WarmSun or the Project Company) (the “**Relocation Deposits**”) shall be regarded as relocation compensation in the amount of RMB50 million (equivalent to approximately HK\$61 million) being paid by the Project Company to PASL under the Agreement.

Conditions Precedent

The Arrangement is conditional upon the Agreement and the transactions contemplated thereunder being approved by the Shareholders at the EGM to be convened within 70 days of the date of the Agreement; and the Re-development being approved by the relevant government authorities in the PRC. PASL shall not use the Initial Relocation Deposit received unless and until approval from the Shareholders at the EGM is obtained. If the EGM cannot be convened within 70 days of the date of the Agreement or if such Shareholders’ approval cannot be obtained at the EGM, Shenzhen WarmSun is entitled to terminate the Agreement and the Initial Relocation Deposit shall be refunded to Shenzhen WarmSun without interest within (i) one working day after receiving notice of termination of the Agreement from Shenzhen WarmSun; or (ii) if Shareholders’ approval cannot be obtained at the EGM, two working days after the EGM, as the case may be. If the Initial Relocation Deposit has been refunded to Shenzhen WarmSun, the Agreement shall be terminated automatically and neither party shall be responsible for any default.

LETTER FROM THE BOARD

Guarantee

Shenzhen Warmsun and the major shareholder of Shenzhen Warmsun have agreed to be the co-guarantors to guarantee the due performance of the Project Company's obligations under the Agreement. The Project Company shall also be a guarantor to guarantee the due performance of Shenzhen Warmsun's obligations under the Agreement and Shenzhen Warmsun shall procure the Project Company to provide a written confirmation acknowledging all the terms and conditions under the Agreement when the Project Company is established.

Termination

If either PASL or Shenzhen Warmsun fails to perform or observe the terms set forth under the Agreement, the non-defaulting party may, depending on the nature of the breach, terminate the Agreement, forfeit or return such Relocation Deposits or pay for liquidated damages (as the case may be) as stipulated under the Agreement.

THE RE-DEVELOPMENT CONTRACT

Pursuant to the Agreement, PASL and the Project Company shall enter into the Re-development Contract within 30 days of the establishment of the Project Company.

Under the Re-development Contract, PASL shall apply for re-development of the Property under the "Shenzhen city town re-development formulated plan" (深圳市城市更新單元規劃制定計劃) and be responsible for the demolition of the Buildings. The Project Company shall be responsible for the Re-development.

Upon the Re-development being included to the "Shenzhen city town re-development formulated plan" (深圳市城市更新單元規劃制定計劃), PASL and the Project Company shall enter into the Relocation Compensation Agreement.

THE RELOCATION COMPENSATION AGREEMENT

Pursuant to the Relocation Compensation Agreement, the relocation compensation payable by the Project Company is RMB50 million (equivalent to approximately HK\$61 million). Upon paying the entire amount of the relocation compensation to PASL, the Project Company may request PASL to vacate the Land and demolish the Buildings. Upon PASL completing demolition work on the Buildings, the Relocation Deposits shall be regarded as relocation compensation in the amount of RMB50 million (equivalent to approximately HK\$61 million) being paid by the Project Company to PASL.

The Project Company shall have (i) completed construction of the Re-development Property; and (ii) obtained the relevant completion of construction certificate from the responsible body of the PRC government within 36 months of entering into the "Sale of land use rights contract" (土地使用權出讓合同書) with the relevant responsible body of the PRC government and in any event, not later than 72 months of the date of the Re-development Contract. In addition, title to the Relevant Property shall be registered to the name of PASL within 42 months of entering into such "Sale of land use rights contract" (土地使用權出讓合同書), and in any event, not later than 6 April 2018. The Relevant Property shall be saleable residential properties which can be on-sold to third parties without PASL having to pay any difference to land cost (補繳地價) to the PRC government.

LETTER FROM THE BOARD

REASONS FOR THE ARRANGEMENT

The Government of Shenzhen City has issued a policy entitled “Policy on City Renewal in Shenzhen” (深圳市城市更新辦法) which takes effect from 1 December 2009. According to the town planning policy issued by the Government of Shenzhen City, the zoning of the Land has been changed from industrial to residential. Shenzhen Warmsun has therefore shown interest in re-developing the Land in accordance with the aforementioned policy and has offered the Consideration to PASL if PASL agrees to the Arrangement and assists Shenzhen Warmsun in obtaining relevant government approval.

The Land is currently used as a production base of the Group for the manufacturing of electroplating equipment. PASL is reviewing options to either acquiring a new parcel of land to build a new building on its own or to rent a ready-for-use factory. Although PASL is required to cease to carry on its existing production on the Land upon Completion of Registration and Receipt of Notice, the Directors are of the view that the Agreement and the Arrangement will not have an adverse impact to the Group’s operation and principal business activities as there will be sufficient time for PASL to either acquire a new parcel of land to build a new building on its own or to rent a ready-for-use factory before the Completion of Registration or Receipt of Notice. Upon the title of the Relevant Property being transferred to PASL, the Company intends to on-sell the Relevant Properties to third parties or rent the Relevant Properties out as long term investment, depending on the then market conditions and policies in the PRC. Further announcement will be made by the Company in accordance with the Listing Rules when circumstance arises.

By entering into the Agreement, the Directors believe that PASL has earned an opportunity to receive a gain as illustrated under the section headed “Financial Effect of the Arrangement” below by estimating the future market price of residential property of the Relevant Property being more or less the same as the prevailing market prices of residential properties in Bao An District, Shenzhen, the PRC.

If PASL decides to acquire a new parcel of land and build a new factory on its own, PASL may utilize the Relocation Deposits to fund the acquisition and development. The Directors, including the independent non-executive Directors, consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE ARRANGEMENT

The Property is owned by the Vendor. The net book value of the Property as shown in the Company’s latest audited accounts as at 31 December 2010 was approximately RMB40 million (equivalent to approximately HK\$49 million) (including revaluation reserve of RMB17 million (equivalent to approximately HK\$21 million)), representing approximately 7% of the total assets of the Group as at 31 December 2010. PASL is the in-house production arm of the Group and is responsible for the design and manufacturing of electroplating equipment. The Property is not a revenue-generating asset and as such there is no identifiable income stream originated therefrom.

LETTER FROM THE BOARD

Upon completion of step (c) of the Arrangement, it is estimated that, the Group will record a gain before tax ranging from RMB602 million to RMB803 million (equivalent to approximately HK\$734 million to HK\$979 million) assuming the Relevant Property will be disposed of by the Group immediately upon completion of the Arrangement. Such gain is estimated based on the Consideration to be received, being an amount ranging from RMB665 million to RMB870 million (equivalent to approximately HK\$811 million to HK\$1,061 million), less (i) the net book value of the Property of approximately RMB40 million (equivalent to approximately HK\$49 million) as at 31 December 2010; (ii) the estimated demolition and relocation costs of approximately RMB10 million (equivalent to approximately HK\$12 million); (iii) the estimated professional fees and expenses of approximately RMB1 million (equivalent to approximately HK\$1 million); and (iv) the estimated costs and expenses in relation to the disposal of the Relevant Property ranging from approximately RMB12 million to RMB16 million (equivalent to approximately HK\$15 million to HK\$20 million). The non-current asset of Group will also be increased upon completion of step (c) of the Arrangement which will comprise of (i) the recognition of properties interests under development to be recorded at the fair value at that relevant date; and (ii) the reduction of the net book value of Property outstanding at that relevant date. The liabilities of the Group will also be increased due to the provision of deferred taxes on certain PRC taxes as stated below.

As the Arrangement shall last for several years, the financial effect of the Arrangement is subject to potential changes in the related accounting standards in the future.

If certain conditions are met, PASL may also be subject to certain PRC taxes including but not limited to profits tax ranging from approximately RMB150 million to RMB202 million (equivalent to approximately HK\$183 million to HK\$246 million) and the gain to be recorded by the Group upon completion of the Arrangement will be adjusted downward accordingly. The actual gain to be recorded by the Group will depend on (i) the net book value of the Property as at the date of demolition; (ii) the actual relocation and demolition costs to be incurred by the Group in connection with the Arrangement; (iii) the actual costs and expenses to be incurred by the Group in connection with the disposal or the leasing-out of the Relevant Property; and (iv) the associated PRC taxes in connection with the above.

Upon completion of the Arrangement, the Directors consider that the Company will maintain sufficient level of operation and value of tangible and/or intangible assets to warrant continued listing on the Stock Exchange.

USE OF PROCEEDS

The net proceeds from the Arrangement are estimated to be ranging from approximately RMB492 million to RMB641 million (equivalent to approximately HK\$600 million to HK\$782 million) (after deducting any related costs and expenses, and associated taxes) on the assumption that all the Relevant Property will be disposed of by PASL at market price which is estimated to range from approximately RMB15,000 per sq.m. to RMB20,000 per sq.m. based on the Prevailing Market Prices Assumption.

LETTER FROM THE BOARD

The net proceeds may be used for (i) the acquisition of a new parcel of land, building of a new factory or renting of a ready-for-use factory; (ii) general working capital purpose; and/or (iii) suitable future investment(s) which may or may not be in the principle line of business of the Group. Given that (a) the Company has not identified any suitable land or ready-for-use factory as it is expected such search may take around six months' time; (b) the net proceeds will not be realized until after the disposal of the Relevant Property which may only take place in around six to seven years' time; and (c) the Company has not identified any investment opportunities and is not in discussion for any investment projects, the Company is unable to ascertain the specific proportion of the net proceeds to be allocated to each of such purposes as stated above as at the date of this circular. The Company will make announcement once specific allocation of use of the net proceeds has been identified by the Board, and in compliance with the requirements of the Listing Rules. In particular, the Company will make announcement in accordance to the disclosure requirement under the Listing Rules, if PASL decides to acquire any new parcel of land for new buildings or if PASL decides to rent any ready-for-use factory, of which PASL may utilize the Relocation Deposits to fund such acquisition and relocation. Other than the possibility that PASL may decide to acquire new parcel of land for new buildings or to rent ready-for-use factory, as at the Latest Practicable Date, the Company has no other future plan for material investments or capital assets and expected source of funding in the coming years. Further, as at the Latest Practicable Date, the Company had not identified any significant investment held by the Group.

INFORMATION ON THE COMPANY, PASL AND SHENZHEN WARMSUN

The Company is an investment holding company holding investments in various disciplines with particular strength in electroplating technologies. Its subsidiaries are principally engaged in, amongst others, the design, manufacture and sale of electroplating machines and other automated equipment, property investment, money lending and securities trading.

PASL is a company principally engaged in the design and manufacturing of electroplating equipment. Its sole customer is its immediate shareholder in Hong Kong, Process Automation International Limited, a wholly-owned subsidiary of the Company.

Shenzhen Warmsun is a company principally engaged in the business of property development and management. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Shenzhen Warmsun and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Arrangement exceeds 75%, the Arrangement constitutes a very substantial disposal on the part of the Company under Chapter 14 of the Listing Rules. The Relevant Shareholders, holding approximately 59.56% interest in the Company, have indicated to the Company that they will vote for the Agreement and the transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder and therefore, need not be abstained from voting at the EGM.

LETTER FROM THE BOARD

EGM

An EGM will be convened for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder (including but not limited to the Arrangement). A notice of the EGM is set out on pages 27 to 28 of this circular. Voting at the EGM on the resolution will be taken by poll.

A proxy form for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are advised to read the notice and complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar and transfer office, Tricor Secretaries Limited, at 26/F, Tesburg Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement and the transactions contemplated thereunder (including but not limited to the Arrangement) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to additional information set out in the appendices of this circular and the notice of the EGM.

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

FINANCIAL SUMMARY

The audited financial information of the Group for the three years ended 31 December 2008, 2009, and 2010 can be referred to the annual reports of the Company for the years ended 31 December 2008 (pages 22 to 85), 2009 (pages 21 to 89) and 2010 (pages 22 to 91), respectively.

The above-mentioned financial information has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.atnt.biz). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2008, 2009 and 2010.

STATEMENT OF INDEBTEDNESS**Borrowings**

As at 31 August 2011, being the latest practicable date of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$19,844,000 in relation to certain trust receipt loan and discounted export bills negotiated.

Pledge of asset

As at 31 August 2011, bank deposits of HK\$9,579,000 million had been pledged to banks for general facility granted to the Group.

Contingent liabilities

As at 31 August 2011, the Company has guaranteed approximately HK\$70,855,000 to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilized by the subsidiaries of the Company and guaranteed by the Company was approximately HK\$33 million in relation to certain trust receipt loan, discounted export bills negotiated and certain import letter of credit issued to suppliers with goods of which receipt of the same is still pending.

Save as aforesaid or as otherwise disclosed therein, normal trade debts and intra-group liabilities, the Group did not have outstanding at the close of business on 31 August 2011 any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, obligation under finance lease, guarantees or other material contingent liabilities or any debt securities issued or outstanding, authorized or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured.

Foreign currency amounts have for those purposes been translated into Hong Kong dollars at appropriate rates prevailing at the close of business on 31 August 2011.

The Directors have confirmed that the Group has not incurred any material indebtedness, charges and contingent liabilities of the Group since 31 August 2011.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest audited consolidated financial statements of the Group were made up.

WORKING CAPITAL STATEMENT

The Directors are of the opinion that after taking into account the financial resources available to the Group, the Group has sufficient working capital to satisfy its present requirements, that is for at least the next 12 months from the date of publication of this Circular.

FINANCIAL RESULTS

The Group recorded approximately HK\$386,463,000 in revenue for the six months ended 30 June 2011 (the “**Period Under Review**”) representing an increase of approximately HK\$167,032,000 or 76% compared to corresponding period of previous year ended 30 June 2010 (the “**Previous Period**”) which was approximately HK\$219,431,000. The profit attributable to owners of the Company was about HK\$6,839,000 for the Period Under Review compared to the profit attributable to owners of the Company of about HK\$5,500,000 for the Previous Period. The increase in revenue and profit attributable to owners of the Company are further elaborated in the following sections.

The basic earnings per share for the Period Under Review was HK\$1.60 cents compared to the basic earning per share of HK\$1.29 cents for the Previous Period.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2011, the Group had equity attributable to owners of the Company of approximately HK\$322,078,000 (31 December 2010: HK\$312,119,000). The gearing ratio was approximately 6% (31 December 2010: 12%). The gearing ratio is calculated by dividing the aggregate amount of bank borrowings and other interest-bearing loans over the amount of equity attributable to the equity holders of the Company.

As at 30 June 2011, the Group had approximately HK\$109,177,000 of cash on hand (31 December 2010: HK\$139,007,000).

As at 30 June 2011, the Group pledged deposits of approximately HK\$9,573,000 (31 December 2010: HK\$7,187,000) to banks to secure bank guarantees issued to customers. The Group has banking facilities of approximately HK\$69,718,000 (31 December 2010: HK\$52,092,000) to the Company. Out of the secured facilities available, the Group has utilized approximately HK\$8,573,000 as the issuance of bank’s guarantee under which customers retain right to claim refund of purchase deposits received by the Group as at 30 June 2011 (31 December 2010: HK\$6,187,000). As at 30 June 2011, the total bank borrowings was approximately HK\$18,476,000 (31 December 2010: HK\$38,372,000) in relation to certain trust receipt loan and discounted export bills negotiated during the Period Under Review.

Bank borrowing is charged at prevailing prime rate in the countries where the Company's subsidiaries operates. No bank borrowing is charged at a fixed rate.

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

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 June 2011, the Group has approximately 837 employees. Employees are remunerated based on performance, experience and industry practice. Performance related bonus granted on discretionary basis. Other employee benefits included fund, insurance and medical cover.

SEGMENTAL INFORMATION

The revenue for the Period Under Review was approximately HK\$386,463,000 or 76% more than the Previous Period. Higher revenue reported during the Period Under Review was mainly boosted by strong order backlogs captured from previous financial year as a result of modest recovery in the broad economic environment since 2010. Approximately 65% of the revenue was generated from electroplating equipment-printed circuit boards ("PCB") sector (the Previous Period: approximately 74%), approximately 21% came from electroplating equipment surface finishing ("SF") sector (the Previous Period: approximately 12%) and approximately 14% derived from electroplating equipment photo voltaic ("Solar") sector (the Previous Period: 14%). In terms of machines installation base, the revenue composition during the Period Under Review was 37% in the PRC, 16% in Taiwan, 14% in Malaysia, 12% in Korea and 21% in the rest of the world.

However, the gross profit margin for the Period Under Review has dropped by 6.4%. This was mainly due to the further increase in global commodity price in the Period Under Review while major order backlogs to customers were booked in previous year. Thus, we were not able to transfer the material price increase to our customers. Besides that, appreciation in Renminbi, and higher labor costs in China due to general salary increase in 2011 had also contributed to the slide in our gross profit margin.

PCB Sector

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

We witnessed the global PCB markets recovery that began in previous year continuing into 2011 throughout the Period Under Review. The overwhelming demand for certain consumer electronic products mainly i-Phone, i-Pad, smartphones and tablet PC have continued to power the growth in the PCB markets. This robust demand from the end consumers has prompted our end customers to expand their production capacity. This is evidenced by strong revenue reported by our end customers such as Tripod, Kinsus and Compeq for the first 6 months of 2011.

According to Priskmark, the global PCB production CAAGR from 2011-2015 would be about 6.5%. Asia, America and Europe are the main PCB production markets and Asia alone has accounted for more than 80% of the global PCB production.

PAL having a strong sale networks in these regions. We will continue to strengthen our research and development works to improve our technology and ride on the wave of recovery in the PCB segments.

Even though PCB is the cornerstone of the electronics industry, we remain cautious in this market segment as the PCB business is prone to economic uncertainties and the cyclical nature of the electronics industry.

SF Sector

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

The revenue of the SF sector has significantly increased from HK\$21,702,000 in the Previous Period to HK\$75,532,000 for the Period Under Review. The rise of HKD\$53,830,000 in revenue was mainly due to higher customer demand as a result of improvement in the market sentiment and the established brand name of PSTS. Our SF customer base has grown gradually over the years since we ventured into this market segment in 2007. Today, its customer portfolio includes those from automobile, sanitary, mint factories, electronic device, aerospace, communication and tools industries.

Our brand name and reputation have continued to help us drawing new European and American customers from the automotive and mints industries during the Period Under Review.

However, stiff competition from the European rivals due to our longer delivery time (shipping time from Asia to Europe) and higher shipping cost originated from the high crude oil price remain as our main challenges.

In order to combat these challenges, we have built a dedicated design team for SF in China and recruited new design talents from overseas to further enhance our engineering and designing capability. In the long run, this will not only enable us to cut down the design lead time and product costs but also will help us to improve our product efficiency.

Solar Sector

This sector is traded through our subsidiary, PAL.

As reported in Bloomberg New Energy Finance, Solar is renewable energy’s fastest-growing sector with photovoltaic installation climbing 140% in 2010. In the Bloomberg New Energy Finance Summit 2011, industry analysts and executives predicted that solar panel installations would surge in the next two years as prices become competitive with coal. By 2013, Solar photovoltaic installations will almost double to 32.6 gigawatts from 18.6 gigawatts last year. The market believes that the nuclear disaster in Japan will further enhance and accelerate the demand for all forms of clean energy, particularly Solar due to its price competitiveness as compared with other forms of renewable energy.

During the Period Under Review, Solar reported HK\$49,693,000 compared with HK\$24,428,000 in the Previous Period. The increase of HK\$25,265,000 in revenue was mainly due to strong demand from our end customer, Sunpower.

We believe that the revenue and customer base in this segment might grow steadily moving forward in view of the increasing global demand for the renewable energy. Subsequent to the Period Under Review, we have successfully secured an order from a new solar customer.

However, we face depleting profit margin pressure as the global demand for solar panels is greatly affected by local government energy policy and the module prices tend to decline gradually when the market is over supply. In many overseas markets, solar is already competitive with peak electricity prices such as in California and Japan. PAL will continue to enhance its product technology and efficiency to support our customers in this competitive market.

Outlook

The growth momentums of consumer electronics products, mainly the mobile internet devices, smart handset and tablets are set to continue in 2011 if the global economy could continue to pick up steadily. That will spur global inventory restocking and fixed asset investment and lead to demand of PAL equipment in the PCB segment. Thus, the PCB segment is expected to remain as the major revenue source to our Group in 2011.

However, we will remain cautious as Europe and USA are still mired with sovereign debt crisis and unemployment issues. An abrupt change in the economic environment in these regions will definitely halt all fixed asset investment and scale down our SF revenue growth.

We also expect the Solar sector will continue to grow over the years as the demand on the clean energy has increased. This is evidenced by a number of events following 2011 Japan nuclear accident, for example, Germany formally announced plans to abandon nuclear power within 11 years and replace with a clean, renewable and safe energy like solar and wind energy, and on 2 August 2011, China's National Development Reform Commission announced the national tariff solar policy. This will likely create a new wave of demand for solar products in China. Corresponding to these global needs, PAL will allocate more resources in its research and development works in this segment.

Even though the net profit for the first six months of 2011 is a marginally better performing period for us compared to the Previous Period, as a whole we believe that our business operating environment in 2011 is more challenging than 2010 as amid appreciations in Renminbi, the sustainable recovery in the general economy environment is uncertain and the commodity inflationary pressure is mounting. This kind of operating environment has lifted our operating costs and depleted our gross profit margin. Thus, we will remain prudent and cautious in the management of our business and continue with the effort of developing standardized machines to improve our operating profit in the future.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Grant Sherman Appraisal Limited, an independent valuer, in connection with the valuation of the Property and the Relevant Property as at 31 July 2011:

**GRANT SHERMAN APPRAISAL LIMITED**

Room 1701 on 17/F Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

19 September 2011

The Directors
Asia Tele-Net and Technology Corporation Limited
No. 11 Dai Hei Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

Dear Sirs,

In accordance with the instructions for us to value the property interests regarding two parcels of industrial land numbered A824-26 and A824-8 together with the buildings and structures erected thereon located at No. 8 Industrial Zone Lung Hua Street Bao An District Shenzhen, the People Republic of China (the "PRC") held by Asia Tele-Net and Technology Corporation Limited ("the Company") or its subsidiaries (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 such interests as at 31 July 2011 (the "Valuation Date").

Our valuation is our opinion of market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Due to the nature of buildings and structures, we have valued the property by depreciated replacement cost ("DRC"). DRC is based on an estimate of the market value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

The valuations have been made on the assumption that the seller sells the property interests on the market in their existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect their value.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5, Practice Notes 12 and 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

In valuing the properties, we have assumed that the seller has free and uninterrupted rights to use the properties for the whole of the unexpired term as granted and is entitled to transfer the properties with the residual term without payment of any further premium to the government authorities or any third parties.

We have assumed that all consents, approvals and licenses from all relevant government authorities for the properties have been granted without any onerous conditions or undue time delay which might affect their values. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report.

We have been provided with copies of extracts of title documents relating to the properties. However, we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. Due to the nature of the land registration system in the PRC, we are unable to search the original documents to verify the existing title of the properties or any material encumbrances that might be attached to the properties. In the preparation of our valuation report regarding the properties in the PRC, we have relied to a considerable extent on the legal opinion provided by the Company's PRC legal adviser, Zhong Lun Law Firm on the PRC laws regarding the titles of the properties in the PRC.

In the course of our valuation, we have relied on a considerable extent on the information provided by the Company on such matters as property title, statutory notices, easements, tenure, occupation, site and floor areas, identification of the properties and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us. We were also advised by the Company that no material facts have been omitted from the information supplied. All documents have been used as reference only. All dimensions, measurements and areas are approximations. No on site measurement has been taken.

We have inspected the exterior of the properties and, where possible, the interior of the properties in respect of which we have been provided with such information as we have required for the purpose of our valuation. However, no structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structure which were covered, unexposed or inaccessible. We are therefore, unable to report that the properties are free of rot, infestation or any structural defect. No tests have been carried out on any of the building services.

Unless otherwise specified, all amounts are denominated in Renminbi.

We enclose herewith the valuation certificate.

Respectfully submitted,

For and on behalf of

GRANT SHERMAN APPRAISAL LIMITED

Peggy Y.Y. Lai

MRICS MHKIS RPS(GP)

Director

Real Estate Group

Note: Ms. Peggy Y.Y. Lai is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and Registered Professional Surveyors in the General Practice Section, who has over 10 years experience in the valuation of properties in Hong Kong, the PRC and the Asian Region.

VALUATION CERTIFICATE

Property interests held by the Group in the PRC

Property	Description and tenure	Particular of occupancy	Market Value at existing state as at 31 July 2011																				
1. Two parcels of industrial land numbered A824-26 and A824-8 together with the buildings and structures erected thereon located at No. 8 Industrial Zone Lung Hua Street Bao An District Shenzhen the PRC	<p>The property comprises two parcels of adjoining land with a total site area of approximately 42,075.40 sq.m. together with 3 blocks of industrial buildings, a block of dormitory, a rain shelter and various structures erected thereon.</p> <p>The total gross floor area of buildings is approximately 23,584.91 sq.m. and were mainly completed in between 1994 and 2010.</p> <p>The gross floor area breakdown with Reality Title Certificate occupying the parcel of land numbered A824-26 are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: right;">Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Industrial building (Block A)</td> <td style="text-align: right;">11,259.1</td> </tr> <tr> <td style="text-align: left;">Dormitory (Block B)</td> <td style="text-align: right;">4,055.3</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;"><u>15,314.4</u></td> </tr> </tbody> </table> <p>The gross floor area breakdown without Reality Title Certificate occupying the parcel of land numbered A824-8 are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: right;">Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Industrial building (Block C)</td> <td style="text-align: right;">2,647.4</td> </tr> <tr> <td style="text-align: left;">Industrial building (Block D)</td> <td style="text-align: right;">3,328</td> </tr> <tr> <td style="text-align: left;">Rain shelter</td> <td style="text-align: right;">2,231.46</td> </tr> <tr> <td style="text-align: left;">New electricity room</td> <td style="text-align: right;">63.65</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;"><u>8,270.51</u></td> </tr> </tbody> </table>	Gross floor area (sq.m.)		Industrial building (Block A)	11,259.1	Dormitory (Block B)	4,055.3	Total	<u>15,314.4</u>	Gross floor area (sq.m.)		Industrial building (Block C)	2,647.4	Industrial building (Block D)	3,328	Rain shelter	2,231.46	New electricity room	63.65	Total	<u>8,270.51</u>	<p>The property was occupied by the Group for industrial use.</p>	<p>RMB45,334,000</p> <p><i>(see notes (3) and (4))</i></p>
Gross floor area (sq.m.)																							
Industrial building (Block A)	11,259.1																						
Dormitory (Block B)	4,055.3																						
Total	<u>15,314.4</u>																						
Gross floor area (sq.m.)																							
Industrial building (Block C)	2,647.4																						
Industrial building (Block D)	3,328																						
Rain shelter	2,231.46																						
New electricity room	63.65																						
Total	<u>8,270.51</u>																						

Notes:

- (1) Pursuant to ten Realty Title Certificate Shen Fang Di Zi Nos. 5000475176, 5000475209, 5000475213, 5000474883, 5000475210, 5000474882, 5000474881, 5000474880, 5000474879 and 5000475211, a site area mentioned in the aforesaid Realty Title Certificate is about 24,681.6 sq.m. (industrial land numbered A824-26) for industrial use for a term of 50 years commencing from 21 June 1991 to 20 June 2041 together with the building ownership of the property with a total gross floor area of about 15,314.4 sq.m.. are legally vested to Process Automation (Shenzhen) Ltd. The details are summarized below:

Realty Title Certificates Shen Fang Di Zi Nos.	Usage	Registration date	Gross Floor Area (sq.m.)
5000475176	Factory (Block A)	29 December 2010	8,339.7
5000475209	Factory (Block A)	29 December 2010	1,301.6
5000475213	Factory (Block A)	29 December 2010	1,617.8
5000474883	Dormitory (Block B)	28 December 2010	535.7
5000475210	Dormitory (Block B)	29 December 2010	586.6
5000474882	Dormitory (Block B)	28 December 2010	586.6
5000474881	Dormitory (Block B)	28 December 2010	586.6
5000474880	Dormitory (Block B)	28 December 2010	586.6
5000474879	Dormitory (Block B)	28 December 2010	586.6
5000475211	Dormitory (Block B)	29 December 2010	586.6
		Total	15,314.4

- (2) Pursuant to a Realty Title Certificate Shen Fang Di Zi No. 7800004 registered on 20 October 1997, a site area of about 17,393.8 sq.m. (industrial land numbered A824-8) for industrial use for a term of 50 years commencing from 11 June 1991 to 10 June 2041 is legally vested to Process Automation (Shenzhen) Ltd.
- (3) No legal title certificates of the buildings identified as Block C, D, rain shelter and new electricity room with a total gross floor area of 8,270.51 sq.m. erected on industrial land numbered A824-8 were provided, we therefore attributed no commercial value to the aforesaid buildings. The Market Value stated in the Valuation Certificate therefore is the valuation attributed to the two parcels of industrial land numbered A824-26 and A824-8 and the gross floor areas of 15,314.4 sq.m. as detailed in Note (1).
- (4) For reference purposes, the value of the subject buildings with a total gross floor area of approximately 8,270.51 sq.m. mentioned in note (3) above is RMB10,280,000 under the assumption that Process Automation (Shenzhen) Ltd possesses valid legal title to the buildings, the construction costs of approximately RMB10 millions have been fully settled, and Process Automation (Shenzhen) Ltd will obtain the relevant building ownership certificates without material legal impediment and payment of onerous fees to the government authorities and any other parties. The value of the aforesaid buildings has not been reflected in our valuation above.
- (5) As informed, the land of the subject property will be transformed from industrial land into residential properties ("Re-Developed Property") for re-sale in 6 years. For reference purpose, the gross development value of 41,000 sq.m. of the Re-developed Property ("Relevant Property") is RMB800,000,000. This was derived by multiplying the expected unit selling price of approximately RMB19,512 per sq.m. by the total gross floor area of 41,000 sq.m. The expected unit selling price of approximately RMB19,512 per sq.m. was derived by comparison approach assuming sale of the Relevant Properties with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market. Gross development value is defined as "the market value of the property assuming it has been completed as at the valuation date, has obtained all necessary consents, is vacant and available for sale in the market.
- (6) We have been provided with a PRC legal opinion on the property issued by Zhong Lun Law Firm, the PRC legal adviser, which contains, inter alia, the following information:
- Process Automation (Shenzhen) Ltd has obtained the land use right and building ownerships mentioned in note (1) above.
 - Process Automation (Shenzhen) Ltd is entitled to transfer, let or mortgage the land use right and building ownerships mentioned in note (1) above.
 - Process Automation (Shenzhen) Ltd has obtained the land use right mentioned in note (2). The land mentioned in note (2) is transferrable upon approval (which has not yet been obtained) from the Urban Planning, Land and Resources Bureau of Shenzhen Municipality.
 - Planning and completion approval of the buildings mentioned in note (3) has been obtained by Process Automation (Shenzhen) Limited from relevant government authorities. No title certificate of the buildings is obtained and hence Process Automation (Shenzhen) Ltd is not entitled to transfer the buildings.
 - The property is not subject to mortgage or other material encumbrances.

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 Group. 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 of Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange are as follows:

Long position

Name of director	Number of issued ordinary shares held		Total	Percentage of the issued share capital of the Company
	Personal interest	Corporate interest		
Lam Kwok Hing	3,474,667	250,516,500 (<i>Note</i>)	253,991,167	59.56%

Note: The amount composed of 48,520,666 and 201,995,834 Shares that were held by Medusa Group Limited (“**Medusa**”) and Karfun Investment Ltd (“**Karfun**”), respectively. Medusa is a company wholly-owned by Mr. Lam Kwok Hing. Karfun is a wholly-owned subsidiary of Karl Thomson Holdings Ltd, a company in which Mr. Lam Kwok Hing is a controlling shareholder. As such, Karfun and Medusa are interested in 47.37% and 11.38% interests in the Company, respectively.

Save as disclosed above, except for nominee shares in certain subsidiaries held in trust for the Company by certain Directors, none of the Directors and chief executive of the Company had any interest and short position in the Shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange as at the Latest Practicable Date.

Other than as stated above, at no time during the year was the Company, nor any of its subsidiaries a party to any arrangement to enable the Directors of the Company (including their spouses and children under 18 years of age) to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Interests of shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company or his/her respective associate(s)) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or had any options in respect of such shares.

Long position

Name of shareholder	Capacity	Number of Shares held	Percentage of Company's issued share capital
Medusa	Beneficial owner	48,520,666	11.38%
Karfun	Beneficial owner	201,995,834	47.37%

(c) Substantial shareholding in other members of the Group

As at the Latest Practicable Date, the Directors are not aware of any other persons (other than a Director or chief executive of the Company or his/her respective associate(s)) who had interests or short positions in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with the Company which was not determinable within one year without payment of compensation, other than statutory compensation.

4. COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and their respective associates are considered to have any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

5. INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2010 (being the date to which the latest published audited financial statement of the Group were made), 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. None of the Directors was materially interested, direct or indirectly, in any contracts or arrangements entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the expert who had given opinion or advice which is contained in this circular:

Name	Qualification
Grant Sherman Appraisal Limited	Chartered surveyors

As at the Latest Practicable Date, Grand Sherman Appraisal Limited (i) did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) or option to subscribed for or to nominate persons to subscribe for shares or securities in any member of the Group; (ii) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or the Valuation Report and references to its name in the form and context in which they are included.

7. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, neither the Company nor any subsidiaries was engaged in any litigation or claims of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010 (being the date to which the latest audited accounts of the Company were made up).

9. MATERIAL CONTRACTS

Save as the Agreement, there is no contract (not being contracts in the ordinary course of business) entered into by any member of the Group within two years immediately preceding the date of this circular which are or may be material.

10. GENERAL

- (a) The company secretary of the Company is Ms. Lui Choi Yiu Angela, who is a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is at Clarendon House, Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company in Hong Kong is at 11 Dai Hei Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong. The share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, at 26/F, Tesburg Centre, 28 Queen's Road East, Hong Kong.
- (c) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.
- (d) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been acquired or disposed of or leased to any member of the Group or was proposed to be so acquired or disposed of by or leased by any member of the Group since 31 December 2010, being the date at which the latest published audited financial statements of the Company were made up.
- (e) As 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 which was subsisting at the date of this circular.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 11 Dai Hei Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM:

- (a) the bye-laws of the Company;
- (b) the annual report of the Company for the years ended 31 December 2008, 2009 and 2010;
- (c) the Agreement;
- (d) the letter of consent from Great Sherman Appraisal Limited;
- (e) the Valuation Report;
- (f) the working capital statement on the Company included in this circular; and
- (g) this circular.

NOTICE OF THE EGM



ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 679)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Asia Tele-Net and Technology Corporation Limited (the “**Company**”) will be held at 2/F, 11 Dai Hei Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Thursday, 13 October 2011 at 11:00 a.m. (the “**EGM**”) for the purpose of considering and, if though fit, passing with or without modification, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT:**

- (a) the entering into of the agreement dated 7 August 2011 (the “**Agreement**”, a copy of which has been produced to the EGM marked “A” and initialed by the Chairman of the meeting for the purpose of identification) between 寶龍自動機械(深圳)有限公司 (Process Automation (Shenzhen) Limited), a wholly-owned subsidiary of the Company (“**PASL**”) and 深圳市華盛房地產開發有限公司 (Shenzhen Warmsun Real Estate Development Company Limited) (“**Shenzhen Warmsun**”), pursuant to which PASL has agreed to vacate from two parcels of industrial land numbered A824-26 and A824-8 located at No. 8 Industrial Zone, Lung Hua Street, Bao An District, Shenzhen (深圳市寶安區龍華街道辦第八工業區，八一路與東環一路交匯處西北角) (the “**Land**”) and demolish the existing buildings and structures built or erected thereon the Land, and Shenzhen Warmsun has agreed to re-develop the Land and compensate PASL by paying the consideration, which comprises (i) a relocation compensation of RMB50 million (equivalent to approximately HK\$61 million), to be paid by Shenzhen Warmsun and/or a project company to be established in the PRC by Shenzhen Warmsun (the “**Project Company**”) to PASL; and (ii) the title to a 41,000 sq.m. of properties, buildings or structures to be built by the Project Company pursuant to the re-development work to be procured on the Land, to be transferred to PASL, be and is hereby approved, confirmed and ratified, and the performance by the Company of all the transactions contemplated under the Agreement be and are hereby approved; and

NOTICE OF THE EGM

- (b) the directors of the Company (the “**Directors**”) be and are hereby authorized to do all such acts and things, and to sign and execute all such further documents and to take all steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient or implement and/or give full effect to or in connection with the Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 19 September 2011

Registered Office:
Clarendon House
Church Street
Hamilton HM11
Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*
11 Dai Hei Street
Tai Po Industrial Estate
Tai Po, New Territories
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies (if a member who is the holder of two or more shares) to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power or authority must be deposited at the Company’s Hong Kong share registrar and transfer office, Tricor Secretaries Limited, at 26/F, Tesburg Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and delivery of the form of proxy will not preclude a member from attending and voting at the EGM if the member so desires.
- (3) As at the date of this notice, the executive directors of the Company are Messrs. Lam Kwok Hing and Nam Kwok Lun, and the independent non-executive directors of the Company are Messrs. Cheung Kin Wai, Kwan Wang Wai Alan and Ng Chi Kin David.