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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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, together with the enclosed form of proxy, 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.

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**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)**

**AMENDMENT OF TERMS IN RELATION TO  
A VERY SUBSTANTIAL DISPOSAL  
AND NOTICE OF THE EGM**

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A letter from the Board is set out on pages 5 to 17 of this circular.

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 Thursday, 24 October 2019 at 11:00 a.m. is set out on pages N-1 to N-2 of this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable 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 and, in such event, the relevant proxy form shall be deemed to be revoked.

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## DEFINITIONS

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

“Actual Net Sales Proceed”	is equal to actual gross proceed to be received by the Project Company in respect of the Relevant Property during the pre-sales period and after netting off value-added taxes, urban maintenance and construction tax, educational surtax, share of sales and marketing expenses and decoration expenses (if any)
“Additional Cash Consideration”	is the difference between Actual Net Sales Proceed less RMB1.23 billion
“Agreement”	an agreement dated 7 August 2011 entered into between PASL and Shenzhen Warmsun in relation to 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 Revised Consideration to PASL
“Board”	the board of Directors
“Company”	Asia Tele-Net and Technology Corporation Limited, a company incorporated under the laws of 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\$56.7 million), (ii) guaranteed cash consideration of RMB1.23 billion and (iii) Additional Cash Consideration
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Revised Supplemental Agreements and Second Revised Supplemental Agreement A and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 Northwest of interjunction of Bayi Road and Donghuangyi Road, No. 8 Industrial Zone, Lung Hua Street, Bao An District, Shenzhen
“Latest Practicable Date”	23 September 2019, being the latest practicable date prior to the printing of this circular for ascertaining 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 an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Pre-Sales Certificate”	a permit required under the laws of PRC before a property developer can offer sales of property to general public (預售許可證)
“Project Company”	深圳市寶盛龍悅實業投資有限公司 (Shenzhen Bao Sheng Long Yue Industrial Investment Company Limited), a project company established in the PRC by Shenzhen Warmsun, for the purpose of undergoing the Re-development pursuant to the Re-development Contract
“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 and commercial properties for re-sale
“Revised Supplemental Agreement A”	a supplemental agreement entered into between PASL and the Project Company dated 28 June 2019 to amend certain terms to the Supplemental Agreement A

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## DEFINITIONS

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“Revised Supplemental Agreement B”	a supplemental agreement entered into between PASL, Shenzhen Warmsun and the Project Company dated 28 June 2019 to amend certain terms to the Supplemental Agreement B
“Revised Supplemental Agreements”	Revised Supplemental Agreement A & B
“Relevant Property”	a 41,000 sq.m. of the Re-developed Property
“Relevant Shareholders”	a closely allied group of Shareholders, being Karfun Investments Limited, Medusa Group Limited, J & A Investment Limited and Mr. Lam Kwok Hing holding 47.37%, 11.38%, 4.55% and 0.81% interests in the Company, respectively
“Relocation Compensation Agreement”	an agreement entered into between PASL and the Project Company in relation to compensation payable and the Relevant Property in September 2011
“Revised Consideration”	comprises (i) a relocation compensation of RMB50 million (equivalent to approximately HK\$56.7 million) and (ii) guaranteed cash consideration of RMB2.75 billion
“RMB”	Renminbi, the lawful currency of the PRC
“Second Revised Supplemental Agreement A”	a supplemental agreement entered into between PASL and the Project Company dated 9 September 2019 to amend certain terms to the Revised Supplemental Agreement A
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Warmsun”	深圳市華盛智地集團有限公司 (Shenzhen Warmsun Zhi-di Group Company Limited) previously known as 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
“Supplemental Agreement A”	a supplemental agreement entered into between PASL and the Project Company dated 4 January 2017 to amend certain terms to the Relocation Compensation Agreement as more particularly described in the circular dated 15 February 2017

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## DEFINITIONS

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“Supplemental Agreement B”	a supplemental agreement entered into between PASL, Shenzhen Warmsun and the Project Company dated 4 January 2017 to amend certain terms in relation to the Agreement as more particularly described in the circular dated 15 February 2017
“Supplemental Agreements”	Supplemental Agreement A and B
“%”	per cent

*For illustration purposes, unless indicated otherwise, amounts in RMB in this circular have been translated into HK\$ at HK\$1.00 = RMB0.8824*

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**LETTER FROM THE BOARD**

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**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:*

Lam Kwok Hing (*Chairman*)

Nam Kwok Lun (*Deputy Chairman*)

*Independent non-executive Directors:*

Cheung Kin Wai

Kwan Wang Wai Alan

Ng Chi Kin David

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Principal Place of Business in Hong Kong:*

11 Dai Hei Street

Tai Po Industrial Estate

Tai Po New Territories

Hong Kong

27 September 2019

*To the Shareholders*

Dear Sir/Madam,

**AMENDMENT OF TERMS IN RELATION TO  
A VERY SUBSTANTIAL DISPOSAL  
AND NOTICE OF THE EGM**

**INTRODUCTION**

References are made to the announcements of Asia Tele-Net and Technology Corporation Limited (the “Company”) dated 22 August 2011, 25 October 2013, 16 October 2014, 26 October 2015, 30 November 2015, 4 January 2017 and 28 June 2019 and the circular of the Company dated 19 September 2011 and 15 February 2017 in relation to the Agreement.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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The Company issued an announcement on 28 June 2019 pursuant to Rule 14.36 of the Listing Rules as the entering of the Revised Supplemental Agreements constitutes a variation to the terms of the transactions previously approved by the Shareholders of the Company on 2 March 2017. In addition, the Company has on 9 September 2019 and after trading hours entered the Second Revised Supplemental Agreement A to slightly amend the repayment dates of the Revised Consideration.

As the amendments set out in the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A constitute material changes to the terms of the Supplemental Agreements, accordingly, pursuant to Rules 14.36 and 14.49 of the Listing Rules, the Revised Supplemental Agreements should be subject to Shareholders' approval.

### **Status of the Re-development**

Pursuant to the Agreement, PASL agreed to vacate from the Land, demolish the buildings and deliver the Land to Shenzhen Warmsun for Re-development. Status of the Re-development is constantly updated in the annual reports as well as interim reports issued by the Company from time to time. As at the date of this circular, Shenzhen Warmsun together with the Project Company has completed the following tasks since the signing of the Agreement.

- 1) Shenzhen Warmsun has established the Project Company in August 2011.
- 2) The Project Company has applied to re-develop the Land in September 2011.
- 3) On 16 October 2014, a notice was published by Urban Planning Land and Resources Commission of Shenzhen Municipality to confirm the Land having been listed under "2014 Lot 4 Town re-development formulated plan of Shenzhen - Draft Plan" for re-development. The first task associated with the Agreement, being the Completion of Registration, has been completed.
- 4) On 27 November 2015, the Project Company received an approval letter dated 25 November 2015 confirming that the Construction and Environment Review Committee had approved the planning proposal submitted by the Project Company. Based on the approved planning, the Land shall be re-developed into a comprehensive development site which can build up to a maximum floor area of 196,800 sq.m., out of which the Group will receive titles and benefits of 41,000 sq.m. upon completion.
- 5) The Project Company has received an investment registration certificate dated 1 February 2016 and a letter regarding the energy saving assessment dated 10 March 2016 from Shenzhen Long Hua New District Development and Finance Bureau (深圳市龍華新區發展及財政局).
- 6) The Project Company has received a letter dated 9 May 2016 regarding environmental assesment from Shenzhen Bao'an District Environmental Protection and Water Bureau.



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## LETTER FROM THE BOARD

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- 7) The Project Company has received a construction land planning permit (建設用地規劃許可證) dated 10 August 2016 from the Urban Planning Land and Resources Commission of Shenzhen Municipality confirming that the Land shall be re-developed into a comprehensive development site comprising an office building, shops, public facilities required by local government and four to six blocks of residential buildings. Maximum floor area to be built is 196,800 sq.m. under which 172,627 sq.m. are marketable residential or commercial properties and 24,173 sq.m. are public facilities and subsidised residential units built on behalf of the local government.
- 8) In March 2017, the Project Company has signed a sales of land use rights contract dated 21 March 2017 with the local government.
- 9) On 23 November 2017, the Project Company received a construction works planning permit (建設工程規劃許可證). On 13 December 2017, the Project Company further received a construction works commencement permit (建設工程施工許可證). As the Project Company has obtained all required permits, the construction was started.
- 10) On 25 May 2018, Project Company has obtained the land certificate (不動產權證書).
- 11) On 22 August 2019, the Pre-Sales Certificate was issued.
- 12) As of the date of this circular, the basic construction of the buildings is completed but the construction of the gardens, swimming pools and all interior fitting/utilities is still going on.

On 4 January 2017, PASL, Shenzhen Warmsum and the Project Company entered into two supplemental agreements (the “**Supplemental Agreements**”) and under which PASL would be entitled to receive the Consideration as follows:—

- a) According to the terms of the Supplemental Agreement A as ascribed in the circular dated 15 February 2017, PASL will receive consideration comprising (i) a relocation compensation of RMB50 million (equivalent to approximately HK\$56.7 million) and (ii) guaranteed cash consideration of RMB1.23 billion. The guaranteed cash consideration will be payable by six tranches within eighteen (18) months after the issue of the Pre-Sales Certificate without waiting for the completion of the Re-development. The first tranche will be payable fifteen day three months after the issue of the Pre-Sales Certificate and the next tranche will be payable three months thereafter and so on;
- b) According to the terms of the Supplemental Agreement B as ascribed in the circular dated 15 February 2017, PASL will further receive Additional Cash Consideration representing the difference between the Actual Net Sales Proceed less RMB1.23 billion. Actual Net Sales Proceed is equal to actual gross proceed to be received by the Project Company in respect of the Relevant Property during the pre-sales period and after netting off value-added taxes, urban maintenance and construction tax, educational surtax, share of sales and marketing expenses and decoration expenses (if any); and

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## LETTER FROM THE BOARD

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- c) The Project Company shall meet the pre-sales conditions and obtain the Pre-Sales Certificate on or before 30 June 2019.

### CURRENT STATUS OF THE PROPERTY

As of the date of this circular, the basic construction of the building is completed but the construction of the gardens, swimming pools and all interior fittings/utilities is still going on. The Pre-Sales Certificate was issued on 22 August 2019.

Shareholders are advised to read the valuation report as per Appendix II of this circular.

The Property is free from any encumbrances, pending litigation, investigations or any notices for beaches of law including the environmental regulations.

The Board wishes to announce that on 28 June 2019 and after trading hours, PASL, Shenzhen Warmsum and the Project Company have entered into the Revised Supplemental Agreements to amend certain terms of the Supplemental Agreements. The Board further announces that on 9 September 2019 and after trading hours, PASL and the Project Company have entered into the Second Revised Supplemental Agreement A to amend the payment dates of the Revised Consideration.

The principal terms of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A are set forth below:

### THE REVISED SUPPLEMENTAL AGREEMENT A TO THE SUPPLEMENTAL AGREEMENT A

**Date:** 28 June 2019

**The Parties:** (i) PASL; and  
(ii) Project Company

**Guarantors:** Shenzhen Warmsum Holdings Co Ltd  
Shenzhen Warmsum Zhi-di Investment Co Ltd

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## LETTER FROM THE BOARD

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According to the Revised Supplemental Agreement A, PASL will receive Revised Consideration of RMB2.8 billion which comprises of (i) a relocation compensation of RMB50 million (equivalent to approximately HK\$56.7 million) and (ii) guaranteed cash consideration of RMB2.75 billion (equivalent to HK\$3.1 billion). Revised Consideration represents the full and final settlement for the Agreement. At the date of this circular, PASL has already received the relocation compensation of approximately RMB50 million. The guarantee cash consideration of RMB2.75 billion will be payable in six (6) tranches. Specific sum to be repaid will be as follows:—

<b>Repayment dates</b>	<b>Repayment amount on cumulative basis</b>
On or before 31 December 2019	RMB400,000,000
On or before 30 June 2020	RMB1,000,000,000
On or before 31 December 2020	RMB1,200,000,000
On or before 31 December 2021	RMB1,600,000,000
On or before 30 June 2022	RMB2,000,000,000
On or before 31 December 2022	RMB2,750,000,000

In any event, Project Company undertakes to pay the Revised Consideration to PASL in accordance with the schedule above, or else, PASL is entitled to charge default interest. If the Project Company is late in paying the guarantee cash consideration of RMB2.75 billion in accordance with the agreed time table, default interest is calculated at RMB50,000 per day for the first six months from the date of default and such default interest will be increased to RMB100,000 per day from the seventh month to twelveith month from the date of default. If a default is lasted for thirteen months or more, PASL is entitled to (a) terminate the Revised Supplemental Agreement A, (b) request a further default payment of RMB 50 million and (c) claim any losses or damages in accordance with the laws of PRC.

Shenzhen Warmsun Holdings Co Ltd and Shenzhen Warmsun Zhi-di Investment Co Ltd, being the ultimate parent companies of the Project Company, will be the guarantors and agree to provide an undertaking in favour of PASL for the due and complete performance of the Shenzhen Warmsun and the Project Company under the Revised Supplemental Agreements.

Save for the above, all other terms and conditions of the Supplemental Agreement A shall remain unchanged and continue in full force and effect.

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## LETTER FROM THE BOARD

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### THE SECOND REVISED SUPPLEMENTAL AGREEMENT A TO THE REVISED SUPPLEMENTAL AGREEMENT A

**Date:** 9 September 2019

**The Parties:** (i) PASL; and  
(ii) Project Company

**Guarantors:** Shenzhen Warmsun Holdings Co Ltd  
Shenzhen Warmsun Zhi-di Investment Co Ltd

In order to avoid the month end cut off issue and the hectic year end closing dates, PASL and the Project Company agreed to slightly amend the repayment dates of the guaranteed cash consideration of RMB2.75 billion as follows:-

<b>Repayment dates</b>	<b>Repayment amount on cumulative basis</b>
On or before 6 January 2020	RMB400,000,000
On or before 6 July 2020	RMB1,000,000,000
On or before 5 January 2021	RMB1,200,000,000
On or before 5 January 2022	RMB1,600,000,000
On or before 5 July 2022	RMB2,000,000,000
On or before 5 January 2023	RMB2,750,000,000

Save for the above, all other terms and conditions of the Revised Supplemental Agreement A shall remain unchanged.

### THE REVISED SUPPLEMENTAL AGREEMENT B TO THE SUPPLEMENTAL AGREEMENT B

**Date:** 28 June 2019

**The Parties:** (i) PASL  
(ii) Shenzhen Warmsun; and  
(iii) Project Company

**Guarantors:** Shenzhen Warmsun Holding Co Ltd  
Shenzhen Warmsun Zhi-di Investment Co Ltd

#### Subject Matter

PASL, Shenzhen Warmsun and the Project Company agreed to amend certain terms associated with the Supplemental Agreement B as follows:—

#### *Revised Consideration*

In accordance with the Revised Supplemental Agreement A, the Parties agree that the Revised Consideration, namely RMB2.8 billion (equivalent to approximately HK\$3.2 billion), represents the full and final settlement for the purpose of the Agreement.

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## LETTER FROM THE BOARD

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### *Additional Cash Consideration*

Under the Revised Supplemental Agreement B, PASL will no longer receive Additional Cash Consideration, namely the difference between the Actual Net Sales Proceed less RMB1.23 billion.

### *Pre-Sales Certificate*

Reference is made to the announcement of the Company dated 28 June 2019. At the date of that announcement, the Project Company was still in the process of applying the Pre-Sales Certificate. The Project Company advised PASL that the delay would be between 2-6 months and was mainly due to the negotiation with Housing & Construction Bureau of Shenzhen Municipality (深圳市住房及建設局) over the permitted maximum selling prices for the project. By entering into the Revised Supplemental Agreement A, PASL shall receive the remaining Revised Consideration of RMB2.75 billion according to the agreed time table stipulated under the Revised Supplemental Agreement A irrespective of when the Project Company would have received the Pre-Sales Certificate. By entering into the Revised Supplemental Agreement B, PASL is no longer required to monitor the progress of such Pre-Sales Certificate.

The Project Company has received the Pre-Sales Certificate on 22 August 2019. Since the Group has already entered the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A which have clearly defined a repayment schedule without considering the status of the Pre-Sales Certificate, the issue of the Pre-Sales Certificate brings no impact to the Group in the opinion of the Board.

Shenzhen Warmsun Holdings Co Ltd and Shenzhen Warmsun Zhi-di Investment Co Ltd, being the ultimate parent companies of Shenzhen Warmsun and the Project Company, will be the guarantors and agree to provide an undertaking in favour of PASL for the due and complete performance of the Shenzhen Warmsun and the Project Company under the Revised Supplemental Agreements.

Save for the above, all other terms and conditions of the Supplemental Agreements shall remain unchanged and continue in full force and effect.

### **CONDITIONS PRECEDENT**

The effective date of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A are conditional upon obtaining approval from Shareholders of the Company approving the transactions contemplated under the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A in the EGM. If such approval is not obtained, the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A shall become null and void and the Supplemental Agreements which were previously approved by the Shareholders will remain in effect.

The Relevant Shareholders, holding approximately 64.11% interest in the Company as at the date of this circular, have indicated to the Company that they will vote for the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A and the transactions contemplated thereunder at the EGM.

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## LETTER FROM THE BOARD

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### REASONS AND BENEFITS FOR ENTERING INTO REVISED SUPPLEMENTAL AGREEMENTS AND SECOND REVISED SUPPLEMENTAL AGREEMENT A

(a) *The consideration will be higher but timing to receive such consideration will be extended*

Since the entering of the Supplemental Agreements in 2017, the Group has hired independent professional valuer to perform fair value valuation over the guaranteed cash consideration of RMB1.23 billion and the Additional Cash Consideration which PASL will receive. When conducting such valuation, the valuer has made reference to comparable transactions or asking of similar properties in nearby districts to calculate the expected market value of the Relevant Property as at the reporting dates. Expected market value of the Relevant Property as at 31 December 2018 estimated by the valuer was RMB2.11 billion, it was further increased to RMB2.2 billion as at 30 June 2019. For the purpose of this circular, the valuer has updated their valuation to a value of RMB2.15 billion on 5 July 2019 after considering the outstanding development cost (please refer to note 8 of the valuation report). A slight increment was recorded since the end of 2018. Shareholder is advised to read the valuation report as per Appendix II of this circular. By entering into the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A, PASL will receive RMB2.75 billion which is RMB0.6 billion more than the valuation as at 5 July 2019. In exchange for a higher consideration, PASL agrees to extend the timing to receive the Revised Consideration. The effect is summarized as follows:—

Repayment dates*	Supplemental Agreements	Revised Supplemental Agreements and the Second Revised Supplemental Agreement A	
	Repayment amount on cumulative basis (RMB)	Repayment dates (on or before)	Repayment amount on cumulative basis (RMB)
15/10/2019	369,000,000	6/1/2020	400,000,000
15/01/2020	738,000,000	6/7/2020	1,000,000,000
15/04/2020	861,000,000	5/1/2021	1,200,000,000
15/07/2020	984,000,000	5/1/2022	1,600,000,000
15/10/2020	1,107,000,000	5/7/2022	2,000,000,000
15/01/2021	1,230,000,000	5/1/2023	2,750,000,000

\* These dates were set assuming that Pre-Sales Certificate would have been obtained on 30 June 2019 as planned.

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## LETTER FROM THE BOARD

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(b) *Safeguard risks associated with the current volatile business environment*

Since the commencement of US-Sino trade war, business environment is deteriorating. Export is playing an important role in China economy and is one of the key drivers why China was experiencing high GDP growth in last few years. The continuing decline of export will contribute to the slow-down of economic growth, possible business closure (if the trade war conflict increases and deepens), increase of unemployment rate and finally reducing general purchasing power. This may not be beneficial to property market at large.

On the other hands, there are sayings that in order to maintain a healthy GDP growth, the Chinese government may eventually adopt quantitative easing (量化寬鬆). If quantitative easing indeed happens, with the ease of credit, the property market may experience further growth. But if any growth is forth coming, the Company expects it will be fairly moderate.

By securing a guaranteed cash payment, PASL is safeguarded from any unforeseeable downside economic risks. By agreeing to the Revised Consideration of RMB2.75 billion which is higher than the valuation suggested by an independent professional valuer as at 31 December 2018, PASL keeps a buffer on hands for a possible increase in properties prices in the coming 1-2 years.

In short, the Revised Consideration is determined having considered (i) the valuation report on hands, (ii) the timeframe to receive the consideration is delayed, (iii) current volatile business environment and (iv) possible increase in properties prices.

Based on the foregoing, the Directors consider that the entering of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A and the transactions contemplated thereunder is entered into on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### FINANCIAL EFFECT OF THE REVISED SUPPLEMENTAL AGREEMENTS

As at 30 June 2019, in relation to the Supplemental Agreements, the Group has recorded deferred consideration and tax payable on its balance sheet as follows:—

	<i>HK\$'000</i>
Asset - Deferred consideration (non-current portion)	717,649
Asset - Deferred consideration (current portion)	861,554
Liability - Provision for directors bonus	(54,738)
Liability - Deferred taxation (non-current portion)	<u>(394,801)</u>
Fair value of guaranteed cash consideration and Additional Cash Consideration under the Supplemental Agreements	<u>1,129,664</u>

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## LETTER FROM THE BOARD

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Upon execution of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A, the Group will derecognize the asset and liability listed above and, according to the terms of Revised Supplemental Agreements and the Second Revised Supplemental Agreement A, will record a fair value of the guaranteed cash consideration which will be arrived at using discounted cash flow method by discounting future cash flows at an interest rate to be suggested by independent professional valuer. Subsequent to the initial recognition, the fair value of the guarantee cash consideration will be measured at amortised cost using effective interest method less any impairment. Any changes in fair value at initial recognition and at subsequent reporting dates will be recorded through profit and loss statement. The Group will also make provision for taxation payable in relation to such deferred consideration. Applying the same discount rate in 2018 which was 14.9%, the Company estimates that the initial recognition for the fair value of the guaranteed cash consideration after netting impairment and deferred taxation will be approximately RMB1.45 billion (equivalent to approximately HK\$1.64 billion). The profit and loss effect for the year 2019 is estimated as follows:—

	<i>RMB'm</i>	<i>HKD'm</i>
De-recognition of the fair value of guaranteed cash consideration and Additional Cash Consideration under the Supplemental Agreements on 30 June 2019 using the closing rate as at 30 June 2019	995	1,130
Initial recognition of the fair value of the guarantee cash consideration under the Revised Supplemental Agreements	<u>1,446</u>	<u>1,639</u>
Gain in change of fair value *	<u>451</u>	<u>509</u>

\* As the discount rate and default rate to be used may vary, the estimated gain illustrated above represents the best estimates made by the Directors and are subject to change in view of the then market conditions, any change in exchange rates or any further changes in tax regime. The calculation is also subject to potential changes in the related accounting standards in the future.

Since the transactions contemplated under the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A are conditional and are subject to the Shareholders' approval which is expected to happen in next two months, the valuer cannot yet provide a definite discount rate for the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A. Assuming the transactions were approved on 30 June 2019, the discount rate suggested by the valuer would have been 14.6%

### USE OF PROCEED

The net proceeds from the Revised Consideration are estimated to be approximately RMB2.1 billion (equivalent to approximately HK\$2.38 billion) which is the Revised Consideration after netting off 25% corporate profit tax payable in China.



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## LETTER FROM THE BOARD

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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; (b) the net proceeds is yet to be received 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.

### INFORMATION ON THE COMPANY, PASL, SHENZHEN WARMSUN AND GUARANTORS

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, property investment and development.

PASL 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. Currently, PASL is an investment holding company holding the interest of the Arrangement.

Shenzhen Warsun is a company principally engaged in the business of property development and management. It was incorporated in 2005. In the past ten years, it has completed twelve projects and has built nearly 4,500,000 sq.m. floor area. It is currently managing seven estates, two shopping malls and one hotel. Shenzhen Warsun is a subsidiary of Warsun Holding Co Ltd.

Project Company is a limited company incorporated under the laws of PRC and is the approved developer for the Re-development. It is a subsidiary of Shenzhen Warsun.

Shenzhen Warsun Holdings Co Ltd and Shenzhen Warsun Zhi-di Investment Co Ltd, being the ultimate parent companies of Shenzhen Warsun and the Project Company, will be the guarantors and agree to provide an undertaking in favour of PASL for the due and complete performance of the Shenzhen Warsun and the Project Company under the Revised Supplemental Agreements.

Shenzhen Warsun Holding Co Ltd is a limited company incorporated under the laws of PRC since 1993 and is an investment holding company. Businesses principally engaged by its subsidiaries are construction, property development and property management. As far as construction is concerned, it has completed over 300 projects with total construction area of approximately 16,300,000 sq.m. including three key government projects in Guangdong Province.

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## LETTER FROM THE BOARD

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Shenzhen Warmsun Zhi-di Investment Co Ltd is a limited company incorporated under the laws of PRC. It is an investment holding company. Between Shenzhen Warmsun Zhi-di Investment Co Ltd and Shenzhen Warmsun Holding Co Ltd, they own Shenzhen Warmsun and Project Company 100%.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Shenzhen Warmsun, Project Company, Shenzhen Warmsun Holding Co Ltd, Shenzhen Warmsun Zhi-di Investment Co Ltd and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### LISTING RULES IMPLICATION

The Company issued an announcement on 28 June 2019 pursuant to Rule 14.36 of the Listing Rules as the entering into of the Revised Supplemental Agreements constitutes a variation to the terms of the transactions previously approved by the Shareholders of the Company on 2 March 2017. Subsequent to the issue of aforementioned announcement, PASL and the Project Company have entered into the Second Revised Supplemental Agreement A on 9 September 2019. As the amendments set out in the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A constitute material changes to the terms of the Supplemental Agreements, accordingly, pursuant to Rules 14.36 and 14.49 of the Listing Rules, the Revised Supplemental Agreements and Second Revised Supplemental Agreement A should be subject to Shareholders' approval.

As the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A, after taking into accounts of the proposed amendments, exceeds 75%, the entering into the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A constitutes a very substantial disposal on the part of the Company and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, no Shareholder has a material interest in the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A and the transactions contemplated thereunder and is required to abstain from voting at the EGM. The Relevant Shareholders, holding approximately 64.11% interest in the Company as at the date of this circular, have indicated to the Company that they will vote for the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A and the transactions contemplated thereunder at the EGM. A notice of the EGM is set out on pages N-1 to N-2 of this circular. Voting at the EGM on the resolution will be taken by poll.

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## LETTER FROM THE BOARD

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A proxy form for the EGM is enclosed together with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable 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 and, in such event, the relevant proxy form shall be deemed to be revoked.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A and the transactions contemplated thereunder 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, M.H. J.P.**  
*Chairman and Managing Director*

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Company for the years ended 31 December 2016, 2017 and 2018 are disclosed on pages 52 to 122, pages 55 to 128 and pages 55 to 148 of the annual reports of the Company for the years ended 31 December 2016, 2017 and 2018 respectively. The management discussion and analysis of the Company for the years ended 31 December 2016, 2017 and 2018 are disclosed in the published annual report of the Company for the relevant years.

Annual Report of the Company for the year ended 31 December 2016

<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0427/ltm20170427436.pdf>

Annual Report of the Company for the year ended 31 December 2017

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0430/ltm20180430498.pdf>

Annual Report of the Company for the year ended 31 December 2018

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltm20190429520.pdf>

All of the above information have been published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.atnt.biz>).

## 2. INDEBTEDNESS STATEMENT

### (i) *Borrowings and debts*

As at the close of business on 31 August 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had nil bank borrowing.

### (ii) *General debt structure*

As at 31 August 2019, the Group has outstanding lease payments in relation to the Songgan factory, which are not yet paid for the remainder of the lease terms, amounting to approximately RMB9.1 million (equivalent to approximately HK\$10.3 million) in aggregate.

Save as otherwise disclosed herein and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness or any hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits or any guarantees.

(iii) *Contingent liabilities*

As at 31 August 2019, the Group had granted corporate guarantees of approximately HK\$137,500,000 to banks in respect of banking facilities granted to the subsidiaries of the Company. The amount utilized by the subsidiaries as at 31 August 2019 was approximately HK\$9,833,000 representing HK\$7,739,000 for bank guarantees issued and HK\$2,094,000 for letter of credit issued to suppliers. As at 31 August 2019, the Group pledged deposits of approximately HK\$7,739,000 to banks for the issuance of bank guarantees under which customers retain right to claim refund of purchase deposits received by the Group.

### **3. WORKING CAPITAL**

After taking into account (i) the effect of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A; and (ii) the financial resources presently available to the Group including our internally generated funds, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital to satisfy its present requirements and at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

### **4. CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2019, the Group had equity attributable to owners of the Company of approximately HK\$1,383,509,000. The gearing ratio was nil. The gearing ratio is calculated by dividing the aggregate amount of borrowings and other interest-bearing loans over the amount of equity attributable to the equity holders of the Company.

As at 30 June 2019, the Group had approximately HK\$140,197,000 of cash on hand.

As at 30 June 2019, the Group pledged deposits of HK\$3,631,000 to banks to secure the issuance of bank guarantee of the same amount. Total banking facilities available to the Group is HK\$102,300,000. Out of the facilities available, the Group has utilized (i) approximately HK\$3,631,000 for the issuance of bank's guarantee under which customers retain right to claim refund of purchase deposits they paid as at 30 June 2019; (ii) approximately HK\$4,108,000 for the issuance of bank's guarantees which are not yet effective pending payments from customers and (iii) approximately HK\$3,468,000 for the issuance of import letters of credit to suppliers.

Most of the bank borrowing is charged at inter-bank offer rate plus a spread in the countries where the Company's subsidiaries are operating in.

### **5. PLEDGE OF ASSETS**

As at 30 June 2019, apart from the cash of HK\$3,631,000 pledged to the banks for the issuance of bank guarantees as disclosed above, the Group did not pledge any other asset to any third party.

### **6. FOREIGN CURRENCY RISK**

Most of the assets and liabilities in the Group were mainly denominated in US dollars, HK dollars and Renminbi.

The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should this need arise.

## **7. SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

The Company is an investment holding company. Significant investments or assets held by the Group are (1) investments in its subsidiaries which are in the business of sales and manufacturing of electroplating equipment and (2) receivables to be received under the Revised Supplemental Agreements.

Apart from above, the Group has invested a small portion of its spare fund in certain listed companies in Hong Kong which represents approximately 1.34% of its total assets as of 30 June 2019. Such investment is neither significant or material to the Group as a whole. Performance of such investments were regularly reported under the Chairman's statement and management discussion in our Interim Report and Annual Report.

## **8. CAPITAL COMMITMENT**

As at 30 June 2019, the Group did not have any significant capital commitment.

## **9. EMPLOYEE AND REMUNERATION POLICIES**

As at 30 June 2019, the Group employs a total of 620 employees, including employees hired by our associated company. Employees are remunerated based on performance, experience and industry practice. Performance related bonuses are granted on discretionary basis. The Group maintains a mandatory provident fund schemes for its employees in Hong Kong and participates in the state-managed retirement benefit schemes for its employees in PRC. The Group also maintained appropriate insurances and medical cover for its employees.

The Company has adopted a share option scheme, details of which are set out on pages 31 to 32 of the 2018 Annual Report. No option was granted as at the Latest Practicable Date.

## **10. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material change in the financial or trading position or outlook of the Group since 31 December 2018, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

## **11. FINANCIAL AND TRADING PROSPECTS**

During the six months ended 30 June 2019 ("Period Under Review"), the Group recorded profit attributable to owners of the Company of approximately HK\$112,607,000 compared to the profit attributable to owners of the Company of approximately HK\$71,872,000 for the six months ended 30 June 2018 ("Previous Period").

**BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF “PAL”)**

**Electroplating Equipment-Printed Circuit Boards (“PCB”) Sector**

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

During the Period Under Review, the revenue in this business area increased to HK\$114,842,000 from HK\$108,975,000 in Previous Period, representing a rise of 5.4%. Out of this total revenue, from the perspective of installation location, nearly 56.2% were shipment made to PRC (52.8% in the Previous Period) and 24.2% were shipment made to Taiwan (31.7% in the Previous Period).

Two main markets driving our revenue in PCB sector are PCBs used in smartphone and car. The development of car industry is elaborated in our other sector, surface finishing sector, below. As far as global smartphone shipment is concerned, it is a widespread news that shipment volume of smartphone is on downward trend for more than seven quarters by now. According to a report released by IDC, it was down by 2.3% in second quarter 2019.

World Smartphone Market, Top 5 Company Shipments, Market Share, and Year-over-Year Growth, Q2 2019 (shipments in millions)

Vendor	2Q19 Shipments	2Q19 Market Share	2Q18 Shipments	2Q18 Market Share	Year- Over-Year Change
1. Samsung	75.5	22.7%	71.5	21.0%	5.5%
2. Huawei	58.7	17.6%	54.2	15.9%	8.3%
3. Apple	33.8	10.1%	41.3	12.1%	-18.2%
4. Xiaomi	32.3	9.7%	32.4	9.5%	-0.2%
5. OPPO	29.5	8.9%	29.4	8.6%	0.3%
Others	103.4	31.0%	112.4	32.9%	-8.0%
<b>Total</b>	<b>333.2</b>	<b>100.0%</b>	<b>341.2</b>	<b>100.0%</b>	<b>-2.3%</b>

Source: IDC Worldwide Quarterly Mobile Phone Tracker, July 31, 2019

We have said in 2018 annual report that the slowing incremental innovation at the high end smartphone, coupled with price increases, has deterred replacement decisions for high-end smartphones. This stand remains true for the current smartphone market. The key driver in the second quarter of 2019 was the availability of vastly improved mid-tier devices that offer premium designs and features while significantly undercutting the ultra-high-end in price.

**Electroplating Equipment-Surface Finishing (“SF”) Sector**

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

The revenue of SF sector has increased significantly by 210.6% from approximately HK\$18,337,000 in the Previous Period to approximately HK\$56,953,000 for the Period Under Review. Out of this total revenue, from the perspective of installation location, nearly 23.9% were shipment made to PRC (68.4% in the Previous Period) and 65.3% were shipment made to Mexico (6.2% in the Previous Period).

The revenue of SF sector, for past few years, was mainly streamed from multinational companies selling automotive parts. Unfortunately, during the first half year of 2019, car sales were lower in all major car markets in the world with the exception of Brazil where sales increased by 11%. The Japanese car market was flat while the US and Russian markets contracted by around 2%. In the European Union new passenger vehicle registrations were down by 3% but remained at relatively high levels. In India, new car sales during the first six months of 2019 were down by a tenth while China remained the world’s largest new car market despite a 14% contraction.

**New light and passenger vehicle registrations in various major markets in the world**

<b>Region</b>	<b>June 2019</b>	<b>% Change</b>	<b>1-6/2019</b>	<b>% Change</b>
Europe (EU+EFTA)	1,491,300	-7.9	8,426,200	-3.1
Russia*	151,200	-3.3	828,800	-2.4
USA*	1,514,900	-1.9	8,412,900	-1.9
Japan	367,000	-2.2	2,285,700	-0.3
Brazil*	214,000	9.5	1,251,800	10.9
India	225,700	-17.5	1,556,800	-10.3
China	1,700,000	-7.1	9,932,900	-14.0

Source: VDA

\* light Vehicle only

Global automobile producers are facing a range of challenges: (i) drop in demand due to the weak economies worldwide, (ii) stricter emission controls and (iii) shift towards electrified vehicles and autonomous.

As far as emission controls is concerned, the developments are heating up. In Europe, from 2021 onwards, manufacturers will face big fines in the EU if their fleets break the agreed emissions limits. “Carmakers have to add on average €1,000 of content to cars to make them comply with the new rules,” says Arndt Ellinghorst, an automotive industry analyst at Evercore ISI. “It means consumers will be less inclined to buy, which only adds to the general slowdown in consumer confidence.” In China, encouraged by a central government eager to combat smog, 15 cities and provinces decided to implement new stage-6 standards ahead of the original July 1, 2020 deadline. India too has set a deadline in early 2020.

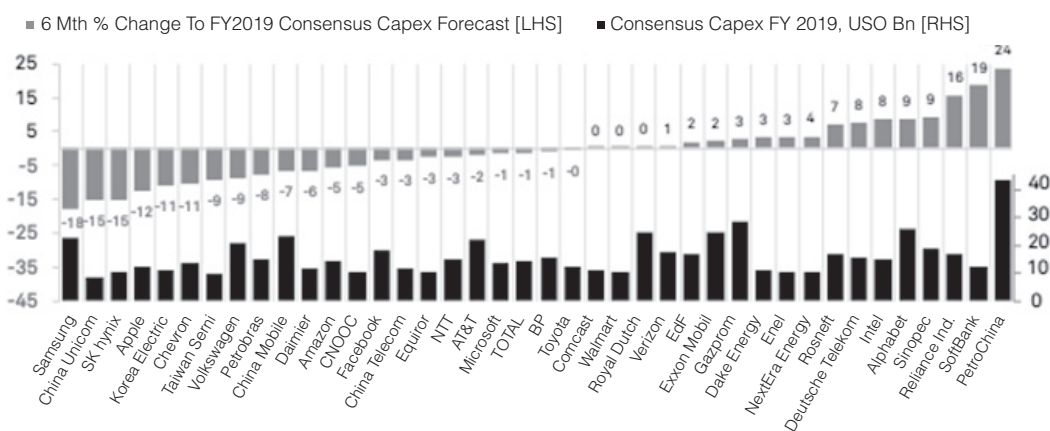


Apart from investment in ensuring their new cars will meet the new emission standards, automobile makers are putting huge research and development investment in autonomous and electrified vehicles as well. It is said that automobile makers globally will see annual investments in self-driving vehicles grow to \$85 billion by 2025 while the industry is expected to invest a collective \$225 billion in battery-car technology between 2019 and 2023. Given the weak car sales, it is expected that some automobile makers may meet with cash crunch or are ready to raise fund from the market.

**Outlook**

On year-over-year basis, we expect the revenue for the whole year will be very similar to the 2018’s. The current capital investment sentiment amongst our customers is very weak, for both the PCB and SF sectors. Incidentally, S&P Global issued a reported named “ Global Corporate Capex Survey 2019 - Curbed Enthusiasm” in June 2019. In its report, it said “One thing that is clear is that capex spending surveys have shown a very marked deterioration in the past few quarters, both in terms of current spending and forward intentions. This has happened across all regions, with the exception — as also seen in our growth forecasts - of Latin America. No doubt this downturn was influenced by market volatility late last year (ie 2018) and concerns for the fragility and durability of the current cycle.” These remarks have said it all the current situation our Group is facing. Also quoted from this report is a chart showing capex forecasts by major spenders.

**Revisions To 2019 Consensus Capex Forecasts In Last Six Months For Major Capex Spenders**



Source: S&P Global Market intelligence. S&P Global Ratings. Universe is Global Capex 2000. Only includes companies for which an S&P Capital IQ consensus estimate is available. Shows top 40 based on USD values of initial forecast.

It is interesting to note from the chart that the expected major spending will come from oil and gas sector and telecommunication sector but a clear deterioration is seen in mobile device sector.

The Group will continue to exert sales effort in expanding the customer base, exercising cost control and improving production efficiency to minimise the impact on the Group due to the poor market conditions.

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation of the property interests of the Group as at 5 July 2019.*



17 September 2019

**The Board of Directors**

**Asia Tele-Net and Technology Corporation Ltd**

11 Dai Hei Street,  
Tai Po Industrial Estate  
Tai Po, New Territories,  
Hong Kong

Dear Sir/Madam,

**INSTRUCTIONS**

In accordance with the instructions of Asia Tele-Net and Technology Corporation Ltd (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for us to carry out the valuation of portion of the development — “Delight Living”(“華盛瓏悦”) located at Northwest of interjunction of Bayi Road and Donghuanyi Road, No.8 Industrial Zone, Long Hua Street, Bao An District, Shenzhen City, Guangdong Province, the PRC. We confirm that we have carried out inspection, made relevant enquiries and searches 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 interests as at 5 July 2019 (the “valuation date”).

**PREMISES OF VALUE**

The valuation is our opinion of market value which is defined by the Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability 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”.

**BASIC OF VALUATION**

In valuing the property interests, 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 HKIS Valuation Standards (2017 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

Our valuation exclude 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.

**VALUATION METHODOLOGY**

In valuing the property interest, the property interest is currently under development, we have assumed that they will be developed and completed in accordance with the latest development proposal provided to us by the Group. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. In arriving at our opinion of value, we have adopted the market approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of cost and fees that expected to be incurred for completing the development.

**TITLE INVESTIGATION**

We have been provided by the Company with copy of extract of the title documents relating to the property interests. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrances that might be attached to the property interests or any amendments which may not appear on the copies handed to us.

However, we have not searched the original documents to verify ownership or to ascertain any amendment. Due to the current registration system of the PRC under which the registration information is not accessible to the public, no investigation has been made for the title of the property interests in the PRC and the material encumbrances that might be attached. In the course of our valuation, we have relied considerably on the legal opinion given by the Company’s PRC legal adviser — Zhong Lun Law Firm, concerning the validity of title of the properties in the PRC.

**SITE INVESTIGATION**

We have inspected the exterior and, where possible, the accessible portions of the interior of the properties being appraised. The inspection was carried out by Mr Greivis Sze (Senior Analyst, APC Candidate of RICS, BSc in Real Estate) during the date 5 July 2019. However, we have not been commissioned to carry out structural survey nor to arrange for an inspection of the services. We are, therefore, not able to report whether the properties are free of rot, infestation or any other structural defects. We formulate our view as to the overall conditions of the properties taking into account the general appearance, the apparent standard and age of fixtures and fittings and the existence of utility services. Hence it must be stressed that we have had regard to you with a view as to whether the buildings are free from defects or as to the possibility of latent defects which might affect our valuation. In the course of our inspection, we did not note any serious defects. No tests were carried out on any of the services. We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or pulverized fly ash, or any other deleterious material has been used in the construction of the properties. We are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that deleterious material has not been used in the construction of the properties.

We have not been commissioned to carry out detailed site measurements to verify the correctness of the land or building areas in respect of the properties but have assumed that the areas provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable.

Moreover, we have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the property interests. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the properties or on adjoining or neighbouring land or that the properties had been or are being put to contaminated use, we reserve right to revise our opinion of value.

**SOURCE OF INFORMATION**

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approval, zoning, easements, tenure, completion date of building, development proposal, identification of property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore approximations and for reference only. We have not searched original plans, developer brochures and the like to verify them.

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.

### **VALUATION ASSUMPTIONS**

For the properties which are held under long term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees has been granted and that any premium payable has already been fully settled. Unless stated as otherwise, we have assumed that the respective title owner of the properties have an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted. Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the properties are/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

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

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

**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 amounts are denominated in Renminbi (RMB). Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,  
For and on behalf of  
**AVISTA Valuation Advisory Limited**  
**Sr Oswald W Y Au**  
*MHKIS(GP) AAPI MSc(RE)*  
*Registered Professional Surveyor (GP)*  
*Director*

*Note :* Mr. Oswald W Y Au holds a Master's Degree of Science in Real Estate from the University of Hong Kong. He is also a member of Hong Kong Institute of Surveyors (General Practice) and Associate Member of Australian Property Institute. In addition, he is a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in the valuation of properties including Hong Kong, the PRC, the U.S., Canada, East and Southeast Asia including Singapore, Japan and Korea.

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 5 July 2019 RMB																												
<p>Portion of the Re-development 41,000 sq.m. — “<b>Delight Living</b>” (“<b>華盛瓏悅</b>”) located at Northwest of interjunction of Bayi Road and Donghuanyi Road No.8 Industrial Zone Long Hua Street Bao An District Shenzhen City Guangdong Province the PRC</p>	<p>The portion of the Re-development comprises with a total gross floor area of approximately 41,000 sq.m (Please refer to notes no. 9 below)</p> <p>For indicative purpose, the whole development is scheduled to be completed in 2020. According to the Construction Works Planning Permit, the details of area set out as following:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (Sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential Buildings</td> <td style="text-align: right;">103,937</td> </tr> <tr> <td>Business Apartment</td> <td style="text-align: right;">20,600</td> </tr> <tr> <td>Office Building</td> <td style="text-align: right;">36,000</td> </tr> <tr> <td>Commercial buildings</td> <td style="text-align: right;"><u>12,090</u></td> </tr> <tr> <td><b>Total Saleable Area:</b></td> <td style="text-align: right;"><b><u>172,627</u></b></td> </tr> <tr> <td>Property Service Building</td> <td style="text-align: right;">463</td> </tr> <tr> <td>Government Owned Residential Building</td> <td style="text-align: right;">15,600</td> </tr> <tr> <td>General Facilities</td> <td style="text-align: right;"><u>8,110</u></td> </tr> <tr> <td><b>Total Area:</b></td> <td style="text-align: right;"><b><u>24,173</u></b></td> </tr> <tr> <td>Car Parking Space</td> <td style="text-align: right;">76,167.67</td> </tr> <tr> <td>Recreational Area</td> <td style="text-align: right;">9,824.32</td> </tr> <tr> <td>Utility</td> <td style="text-align: right;"><u>8,292.5</u></td> </tr> <tr> <td><b>Total Area:</b></td> <td style="text-align: right;"><b><u>94,284.49</u></b></td> </tr> </tbody> </table>	Usage	Gross Floor Area (Sq.m.)	Residential Buildings	103,937	Business Apartment	20,600	Office Building	36,000	Commercial buildings	<u>12,090</u>	<b>Total Saleable Area:</b>	<b><u>172,627</u></b>	Property Service Building	463	Government Owned Residential Building	15,600	General Facilities	<u>8,110</u>	<b>Total Area:</b>	<b><u>24,173</u></b>	Car Parking Space	76,167.67	Recreational Area	9,824.32	Utility	<u>8,292.5</u>	<b>Total Area:</b>	<b><u>94,284.49</u></b>	<p>The property is currently under construction as at the valuation date.</p>	<p>2,151,000,000</p>
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	<p>As advised by the Group, the total construction cost of the whole development is estimated to be approximately RMB2,315,700,000 of which RMB1,002,030,000 had been paid as at 30 June 2019.</p> <p>The property is located at Shenzhen City, near the Long Hua Station (Shenzhen Metro Line No 4), with approximately 7km to Shenzhen North Train station and 30km to Shenzhen Bao’an International Airport.</p> <p>The land use rights of the property have been granted for a term expiring on 20 March 2087 for residential and commercial use.</p>																														

*Notes:*

1. Pursuant to State-owned Land Use Rights Grant Contract — Shen Di He Zi (2017) No. A002 dated 21 March 2017, the land use rights of a parcel of land with a site area of approximately 33,940.06 sq.m. have been granted to the Project Company, a project company established in the PRC by Shenzhen Warmsun, for the purpose of undergoing the Re-development pursuant to the Re-development Contract, for a land use right term of 70 years for residential and commercial use at a total land premium of approximately RMB1,707,188,418.

As revealed from the aforesaid State-owned Land Use Rights Grant Contract, the development is subject to the following material development conditions:

Permitted Gross Floor Area:	Not exceeding 196,800 sq.m.
Building Usage:	Residential, office, business apartment and commercial
Plot Ratio:	$\leq 5.8$
Height Restriction:	$\leq 180\text{m}$

2. Pursuant to the Real Estate Ownership Certificates — Yue (2018) Shen Zhen Shi Bu Dong Chan Quan Di No. 0070073 dated 25 May 2018 with a site area of approximately 33,940.06 sq.m. has been vested to the Project Company, for a term of approximately 70 years and expiring on 20 March 2087 for residential and commercial use.
3. Pursuant to the Construction Land Planning Permit — Shen Gui Tu Xu No. LA-2016-0038 dated 10 August 2016 in favour of the Project Company, permission towards the planning of a parcel of land with a total site area of approximately 33,939.9 sq.m. is obtained.
4. Pursuant to the Construction Works Planning Permit — Shen Gui Tu Jian Xu Zi No. AG-2017-0011 dated 23 November 2017 in favour of the Project Company, the development with a total gross floor area of approximately 196,800 sq.m. have been approved for the construction of residential buildings, commercial buildings, office buildings, business apartments, property service building and general facilities. In addition to the total gross floor area of approximately 196,800 sq.m., the permit also allows the construction for the recreation area of approximately 9,824.32 sq.m., the car parking space of approximately 76,167.67 sq.m and utility of approximately 8,292.5 sq.m..
5. Pursuant to the Construction Works Commencement Permit — No. 440300201633503 dated 13 December 2017 in favour of the Project Company, permission by the relevant local authority has been given to commence the construction work.
6. Subsequent to the valuation date i.e. 5 July 2019, the Project Company has received the Pre-sale Permit. Pursuant to the Pre-sale Permit – Shen Fang Xu Zi (2019) Long Hua No.009 dated 22 August 2019 in favour of the Project Company, which is entitled to sell the properties with a total gross floor area of approximately 172,206.98 sq.m. for residential, commercial, office and business apartment use.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
  - a. The Project Company possesses the proper land use rights of the Land.
  - b. The current construction works have been approved by the relevant authorities.
  - c. In accordance with the laws of PRC, the Project Company is entitled to mortgage the land use rights in accordance with the laws of the PRC but is not entitled to transfer or dispose the project as a whole before it receives the completion certificate.
  - d. The Project Company transfer or dispose the titles of total salable area after it has obtained the Pre-Sales Certificate.



- e. The land use rights are free from any mortgage or charge.
8. In arriving the market value of the subject property, we have adopted the market approach by making reference to comparable sales and/or asking evidence as available in the relevant market to calculate the gross development value of the subject property, besides, we have also taken into account the remainder of cost and fees that expected to be incurred for completing the development as the outstanding development cost. The gross development value (i.e. RMB 2,200,000,000) of the subject property less the outstanding development cost (i.e. RMB 49,000,000) of the subject property will be the market value (i.e. RMB 2,151,000,000) of the subject property, and assuming that (i) the property has been almost completed as at the valuation date, (ii) all necessary approvals / consents have been obtained and (iii) the property is vacant and could be freely transferred in the market.
9. Pursuant to the Revised Supplemental Agreements entered into between the Group and Shenzhen WarmSun, the Group will receive cash consideration which represents the underlying titles and benefits of 41,000 sq.m.

The entitlement of 41,000 sq.m. is in proportion to the total salable area of 172,627 sq.m. with areas as follows:

Usage	Gross Floor Area (Sq.m.)
Residential units	24,685.69
Business apartment units	4,892.63
Office units	8,550.23
Commercial units	<u>2,871.45</u>
<b>Total Saleable Area:</b>	<b><u>41,000.00</u></b>

For reference purpose, we are of the opinion that the gross development value of the property comprising 41,000 sq.m. stated above as at the valuation date would be RMB2,200,000,000, assuming the property has been completed and could be freely transferred in the market.

The gross development value was determined by market approach by making reference to comparable sales and/or asking evidence as available in the relevant market, and assuming that (i) the property has been completed as at the valuation date, (ii) all necessary approvals / consents have been obtained and (iii) the property is vacant and could be freely transferred in the market.

10. In our valuation of gross development value of RMB2,200,000,000, we have made reference to some transaction and/or asking price references of comparables in the subject and nearby development. We have adopted the range of unit rates between RMB55,000 to RMB65,000 per sq.m. for residential units, RMB30,000 to RMB40,000 per sq.m. for office units and RMB55,000 to RMB65,000 per sq.m. for commercial units. The unit rates assumed by us are consistent with the said price reference.

The selection criteria of the transaction and/or asking price references of the comparables are stated as below:

- a. The usage of the comparables, which are residential, commercial and office accordingly.
- b. The location of the comparables, which are within 5km driving distance from the subject property.
- c. The size of the comparables:  
 Residential: 3 rooms units, which are around 100 — 130 sq.m. per unit  
 Commercial: around 30 — 100 sq.m. per unit  
 Office: around 100 — 300 sq.m. per unit

We have adopted the comparables by considering transaction and/or asking time, size, usage and locality and no adjustments have been adopted for both of the residential, office and commercial portions.

The key assumptions are (i) the property has been completed as at the valuation date, (ii) all necessary approvals / consents have been obtained and (iii) the property is vacant and could be freely transferred in the market.

11. A summary of major certificates/licenses is shown as follows:

a.	Real Estate Ownership Certificate	Yes
b.	Building Ownership Certificate	N/A
c.	Construction Land Planning Permit	Yes
d.	Construction Works Planning Permit	Yes
e.	Construction Works Commencement Permit	Yes
f.	Pre-sales Permit / Certificate	Pending as at 5 July 2019 (received on 22 August 2019).

12. As confirmed by the Company that there are no material environmental and planning issues.

13. Unless otherwise defined herein, capitalised terms used in this certificate shall have the same meanings as those defined in this circular.

## 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. DIRECTORS' INTERESTS

### a. Director's Interest in the securities of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (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 which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules to be notified to the Company and the Stock Exchange were 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		
Mr. Lam Kwok Hing	3,474,667	269,916,500 <i>(Note)</i>	273,391,167	64.11%

*Note:* The amount composed of 48,520,666, 201,995,834 and 19,400,000 Shares of the Company that were held by Medusa Group Limited, Karfun Investments Limited and J & A Investment Limited respectively. Medusa Group Limited is a company wholly-owned by Mr. Lam Kwok Hing. Karfun Investments Limited is owned by J & A Investment Limited for approximately 93.70%. Mr. Lam Kwok Hing who is the Chairman and Managing Director of the Company owns 80% shareholding in J & A Investment Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company, had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which 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 which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company, or were required, pursuant to the Model Code of the Listing Rules to be notified to the Company and the Stock Exchange.

**b. Directors' competing interests**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

**c. Directors' interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries.

**d. Directors' interests in contract or arrangement**

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

**e. Directors' service contracts**

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

### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position in the shares and 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 were as follows:

*Long position*

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Company's issued share capital</b>
Medusa Group Limited	Beneficial owner	48,520,666	11.38%
Karfun Investments Limited	Beneficial owner	201,995,834	47.37%
J & A Investment Limited	Beneficial owner	19,400,000	4.55%

Save as disclosed above, the Directors and the chief executive of the Company were not aware that there was any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares and 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 meeting of any other member of the Group or had any share options in respect of such capital.

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

### 4. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are, or may be material:

- (a) the Revised Supplemental Agreement A;
- (b) the Revised Supplemental Agreement B;
- (c) the Second Revised Supplemental Agreement A.

## 5. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert whose name and report are contained in this circular:

<b>Name</b>	<b>Qualification</b>
AVISTA Valuation Advisory Limited	Chartered Surveyors

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2018, the date to which the latest audited consolidated financial statements of the Group was made up; and was not beneficially interested in the share capital of 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.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

## 6. LITIGATION

At the Latest Practicable Date, there was no litigation or claim of material importance that is known to the Directors to be pending or threatening against the Company or any of its subsidiaries.

## 7. GENERAL

- a. The company secretary of the Company is Ms. Yung Wai Ching, who is a member of Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants and Hong Kong Institute of Chartered Secretaries.
- b. The registered office of the Company is at Clarendon House, 2 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.
- c. The share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- d. The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

**8. 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 valuation report from AVISTA Valuation Advisory Limited, the text of which is set out in Appendix II to this circular;
- c) the legal opinion letter issued by Zhong Lun Law Firm;
- d) the written consent referred to in the paragraph headed “Expert’s qualification and consent” in this Appendix;
- e) the annual reports of the Company for the two years ended 31 December 2017 and 2018;
- f) each of the material contracts set out under the paragraph headed “Material Contracts” in this Appendix; and
- g) this circular.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 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)**

#### 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, 24 October 2019 at 11:00 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A for the amendment of terms in relation to a very substantial disposal (as defined in the circular of the Company dated 27 September 2019 of which this notice forms part) (copies of which have been produced to the EGM marked “A”, “B” and “C” and initialed by the Chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) any one of 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 documents and to take all steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to implement and/or give full effect to or in connection with the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A; and
- (c) any one of the Directors be and are hereby further authorized to agree to any amendment to any of the terms of the Revised Supplemental Agreements and the Second Revised Supplemental Agreement A which in the opinion of the Directors is not of a material nature and is in the interests of the Company and to do all such acts and things, and to sign and execute any further documents and to take all steps to take effect of such changes and/or amendments.”

By Order of the Board  
**Asia Tele-Net and Technology Corporation Limited**  
**Lam Kwok Hing, M.H. J.P.**  
*Chairman and Managing Director*

Hong Kong, 27 September 2019

\* *For identification purpose only*



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered Office:*

Clarendon House  
2 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. Any member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him/her. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the EGM is enclosed herewith.
3. The form of proxy must be signed by the member or member's attorney duly authorized in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorized.
4. Where there are joint holders of any share, any one of such holders may vote at the EGM, either in person or by proxy, in respect of such share as if he were solely entitled to vote, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
5. 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 certified copy of such power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 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).
6. For determining the qualification of members to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 17 October 2019 to Wednesday, 23 October 2019, both days inclusive, during the period no transfer of shares will be registered. In order to be eligible as members to attend and vote at the EGM, investors are urged to lodge all transfers of shares accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 16 October 2019. Shareholders whose names appear on the register of members at 4:30 p.m. on Wednesday, 16 October 2019 are entitled to attend and vote at the EGM after completing the registration procedures required.
7. 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 and in such event, the form of proxy shall be deemed to be revoked.
8. If a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 8 a.m. on Thursday, 24 October 2019, the EGM will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on Thursday, 31 October 2019 instead.
9. The resolution as set out in this notice will be taken by poll.
10. 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.