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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)

INSIDE INFORMATION

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

References are made to the announcements of the Company dated 22 August 2011, 25 October 2013, 16 October 2014, 26 October 2015, 30 November 2015, 4 January 2017 and 28 June 2019 and the circular of the Company dated 19 September 2011, 15 February 2017 and 27 September 2019 in relation to the Agreement. References are also made to the announcement of the Company dated 31 December 2021 and the section headed *Property re-development in Longhua* in pages 13 to 16 of the 2021 annual report (the “**2021 Annual Report**”) in relation to the updates of receivables due by the Project Company.

Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the circular dated 27 September 2019 (the “**Circular**”).

BACKGROUND INFORMATION

According to the Second Revised Supplemental Agreement A, PASL will receive the guaranteed cash consideration of RMB800 million billion from the Project Company during the year of 2022.

At the date of this announcement, PASL has received the first three tranches of the consideration in the aggregate amount of RMB1.2 billion.

As disclosed in the announcement of the Company dated 31 December 2021 and the 2021 Annual Report, in December 2021, the Project Company communicated to the Group that it would not be able to pay the fourth tranche and the fifth tranche of the consideration in the aggregate amount of RMB 800 million on time.

Under the Second Revised Supplemental Agreement A, the Group is entitled to default interest for delayed payments. As at the date of this announcement, the Group has received default interest in the amount of RMB5.75 million.

In view of the delay in repayment, the Group received a deposit of HK\$200 million (the “**First Security**”) as security to the repayment obligations of the Project Company for the all outstanding amounts of the consideration.

CHARGE AGREEMENT FOR THE SECOND SECURITY

Through constant dialogue with the Project Company, the Project Company has agreed to provide additional security to PASL (the “**Second Security**”) to secure the repayment obligation of the Project Company for all outstanding amounts of the consideration. The principal terms of the agreement for the Second Security (the “**Charge Agreement**”) are set out below.

Date: 16 May 2022

The Parties:

- (i) PASL; and
- (ii) the Project Company

Subject Matter

The Project Company is the legal owner of 36,068 sqm of office space of the relevant property located in Longhua, the PRC. The Project Company agreed to provide a first legal charge for 7,922 sqm of the office space (the “**Pledged Property**”) as security for all outstanding amounts of the consideration.

The charge period will be from 16 May 2022 to 5 January 2023. During the charge period, the Project Company cannot sell the Pledged Property unless it obtains a written approval from PASL.

The provision of the Second Security under the Charge Agreement does not alter any of the terms of the agreements as disclosed in the Circular and approved by the Shareholders in 2019.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CHARGE AGREEMENT

As disclosed in the paragraph headed “Work done and latest status” under the section headed “PROPERTY RE-DEVELOPMENT IN LONGHUA” of the 2021 Annual Report, the Company was in the process of seeking additional security in the form of cash or assets from the counterparty to secure its repayment obligations. The Pledged Property was valued at approximately RMB 238,710,000 as at 16 May 2021 by an independent valuer. The Company considers that the provision of the Second Security, in addition to the First Security, will further protect the interest of the Group.

The Group will continue to monitor the progress of the repayment, and will inform the shareholders and potential investments by making further announcement(s) as and when appropriate in accordance with the Listing Rules.

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

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

Hong Kong, 16 May 2022

As at the date of this announcement, the Executive Directors of the Company are Messrs. Lam Kwok Hing M.H., J.P. and Nam Kwok Lun and the Independent Non-executive Directors are Messrs. Cheung Kin Wai, Kwan Wang Wai Alan and Ng Chi Kin David.

** For identification purpose only*