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新世界發展有限公司

New World Development Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 17)



ASIA LOGISTICS TECHNOLOGIES LIMITED

亞洲物流科技有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

**(1) DESPATCH OF CIRCULAR;
(2) TRADING ARRANGEMENT AND FREE EXCHANGE OF
NEW SHARE CERTIFICATES OF ALT;
(3) PROPOSED APPOINTMENT AND RE-DESIGNATION OF ALT DIRECTORS;
(4) CONTINUING CONNECTED TRANSACTIONS
FOR THE ENLARGED ALT GROUP;
AND
(5) PROFORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE ENLARGED ALT GROUP**

* For identification purpose only

DESPATCH OF CIRCULAR

The circular issued by ALT containing, among others, the letter from the Independent Director, the letter of advice from Commerzbank and Access Capital to the Independent Director and the Independent ALT Shareholders in connection with the S&P Agreement, the Subscription Agreement and the Whitewash Waiver, the accountants' report on the NWPCS Group, the proforma financial information on the Enlarged ALT Group, the EGM Notice and the form of proxy, has been despatched to the ALT Shareholders, the holder of the ALT Convertible Note and the holders of the ALT Share Options on Wednesday, 2 June 2004.

TRADING ARRANGEMENT AND FREE EXCHANGE OF NEW SHARE CERTIFICATES OF ALT

The Consolidated ALT Shares will be traded in board lots of 2,000 each. Subject to the ALT Share Consolidation becoming effective which is expected to be on 7 July 2004, dealings in the Consolidated ALT Shares are expected to commence on the same day. Parallel trading arrangements will be established with the Stock Exchange and parallel trading will be permitted from 9:30 a.m. on 21 July 2004 to 4:00 p.m. on 11 August 2004, both days inclusive, at the counters mentioned in this announcement.

It is expected that new certificates for the Consolidated ALT Shares under the new name of ALT will be available for collection within a period of ten Business Days after the submission of certificates for the Existing ALT Shares to the branch share registrars of ALT in Hong Kong for exchange. Unless otherwise instructed, new share certificates will be issued in board lots of 2,000 each.

It should be noted that the Existing ALT Shares will be dealt in on ex-rights basis as from Friday, 18 June 2004 and that dealings in such Existing ALT Shares on ex-rights basis will take place whilst the conditions to which the ALT Distribution is subject remain unfulfilled. ALT Shareholders or any other person dealing in the Existing ALT Shares up to the date on which all conditions to which the ALT Distribution is subject are fulfilled, will accordingly bear the risk that the ALT Distribution may not become unconditional or may not proceed. ALT Shareholders or any other persons contemplating selling or purchasing the Existing ALT Shares during the aforesaid period who are/is in doubt about his/her/its/their position are/is advised to consult his/her/its/their professional adviser(s).

PROPOSED APPOINTMENT AND RE-DESIGNATION OF ALT DIRECTORS

With immediate effect after Completion, it is proposed that Mr. Doo Wai Hoi, William, Mr. Chow Yu Chun, Alexander, Dr. Wai Fung Man, Norman, Mr. Kwong Che Keung, Gordon and Mr. Cheng Ming Fun, Paul, *JP* will be appointed to the ALT Board.

Dr. Cheng Kar Shun, Henry and Mr. To Hin Tsun, Gerald will be re-designated as the executive ALT Directors. Mr. Doo Wai Hoi, William, Mr. Chow Yu Chun, Alexander and Dr. Wai Fung Man, Norman will be appointed as the executive ALT Directors. It is proposed that Dr. Cheng Kar Shun, Henry and Mr. Doo Wai Hoi, William will be the chairman and vice-chairman of the ALT Board respectively. Mr. Lo Lin Shing, Simon will be re-designated as a non-executive ALT Director and Mr. Ho Hau Chong, Norman will remain a non-executive ALT Director. Mr. Wei Chi Kuan, Kenny, Mr. Kwong Che Keung, Gordon and Mr. Cheng Ming Fun, Paul, *JP* will be the independent non-executive ALT Directors. Dr. Wai Fung Man, Norman will be appointed as the chief executive officer of ALT immediately after Completion.

CONTINUING CONNECTED TRANSACTIONS FOR THE ENLARGED ALT GROUP

The details of the Continuing Connected Transactions are set out in this announcement.

PROFORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE ENLARGED ALT GROUP

The unaudited proforma adjusted consolidated net tangible liabilities of the Enlarged ALT Group after Completion and the ALT Distribution but before the conversion of the Subscription Note would be approximately HK\$1,077.7 million.

Reference is made to (i) the joint announcement dated 1 April 2004 issued by New World Development Company Limited and Asia Logistics Technologies Limited; and (ii) the circular (the “Circular”) dated 2 June 2004 issued by Asia Logistics Technologies Limited. Terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

DESPATCH OF CIRCULAR

The Circular containing, among others, the letter from the Independent Director, the letter of advice from Commerzbank and Access Capital to the Independent Director and the Independent ALT Shareholders in connection with the S&P Agreement, the Subscription Agreement and the Whitewash Waiver, the accountants’ report on the NWPCS Group, the proforma financial information on the Enlarged ALT Group, the EGM Notice and the form of proxy, has been despatched to the ALT Shareholders, the holder of the ALT Convertible Note and the holders of the ALT Share Options on Wednesday, 2 June 2004.

EXPECTED TIMETABLE

The following timetable is subject to changes, depending on the date on which Completion is to take place.

(Note 5)
2004

Last day of trading in Existing ALT Shares on a cum-rights basis in relation to the ALT Distribution	Thursday, 17 June
First day of trading in Existing ALT Shares on an ex-rights basis in relation to the ALT Distribution (Note 1)	Friday, 18 June
Latest time for lodging transfer of Existing ALT Shares in order to qualify for the ALT Distribution (Note 1)	4:00 p.m. on Monday, 21 June
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 23 June
Register of members closed to determine entitlements to the ALT Distribution (both dates inclusive)	Wednesday, 23 June to Friday, 25 June
EGM	11:00 a.m. on Friday, 25 June
Record date for the ALT Distribution	Friday, 25 June
Expected date of Completion	Tuesday, 6 July
Proposed change of name becomes effective (Note 2)	after 4:00 p.m. on Tuesday, 6 July
ALT Share Consolidation becomes effective (Note 3)	9:30 a.m. on Wednesday, 7 July
Closure of original counter for trading in Existing ALT Shares in board lots of 2,000 (represented by blue colour share certificates for Existing ALT Shares)	9:30 a.m. on Wednesday, 7 July
Establishment of temporary counter for trading in Consolidated ALT Shares in board lots of 20 (represented by blue colour share certificates for Existing ALT Shares)	9:30 a.m. on Wednesday, 7 July
First day of free exchange of existing blue colour share certificates for new pink colour share certificates for Consolidated ALT Shares under the new name of ALT (Note 4)	Wednesday, 7 July
Expected date of despatch of certificates of the NWCB Shares to the ALT Shareholders entitled to the ALT Distribution (if Subscription Completion takes place)	on or before Wednesday, 21 July
Original counter re-opens for trading in Consolidated ALT Shares (to be represented by new pink colour share certificates) in board lots of 2,000	9:30 a.m. on Wednesday, 21 July
Parallel trading commences	9:30 a.m. on Wednesday, 21 July
First day of operation of odd lot trading facility	Wednesday, 21 July
Closure of temporary counter for trading in Consolidated ALT Shares in board lots of 20 (represented by blue colour share certificates for Existing ALT Shares)	4:00 p.m. on Wednesday, 11 August
Parallel trading ends	4:00 p.m. on Wednesday, 11 August
Last day of operation of odd lot trading facility	Wednesday, 11 August
Last day of free exchange of existing blue colour share certificates for new pink colour share certificates	Tuesday, 17 August

No assurance is however given that Completion will take place on 6 July 2004 or at all. ALT Shareholders will be informed of any changes to the expected timetable by press announcement(s).

Notes:

1. **It should be noted that the Existing ALT Shares will be dealt in on ex-rights basis as from Friday, 18 June 2004 and that dealings in such Existing ALT Shares on ex-rights basis will take place whilst the conditions to which the ALT Distribution is subject remain unfulfilled. ALT Shareholders or any other person dealing in the Existing ALT Shares up to the date on which all conditions to which the ALT Distribution is subject are fulfilled, will accordingly bear the risk that the ALT Distribution may not become unconditional or may not proceed. ALT Shareholders or any other persons contemplating selling or purchasing the Existing ALT Shares during the aforesaid period who are/is in doubt about his/her/its/their position are/is advised to consult his/her/its/their professional adviser(s).**
2. This also assumes that the Registrar of Companies in the Cayman Islands enters the new name of ALT in the register of companies on the date of Completion. If Completion does not take place, the proposed change of name will not become effective.
3. If Subscription Completion does not take place, the ALT Share Consolidation will not become effective.
4. It is expected that new certificates for the Consolidated ALT Shares will be available for collection within a period of ten Business Days after the submission of certificates for the Existing ALT Shares to the branch share registrars of ALT in Hong Kong for exchange.
5. All time refers to Hong Kong local time.

TRADING ARRANGEMENT AND FREE EXCHANGE OF NEW SHARE CERTIFICATES

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated ALT Shares. Subject to the granting of listing of, and permission to deal in, the Consolidated ALT Shares on the Stock Exchange, the Consolidated ALT Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Consolidated ALT Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Consolidated ALT Shares will be traded in board lots of 2,000 each. Subject to the ALT Share Consolidation becoming effective which is expected to be on 7 July 2004, dealings in the Consolidated ALT Shares are expected to commence on the same day. Parallel trading arrangements will be established with the Stock Exchange and parallel trading will be permitted from 21 July 2004 to 11 August 2004, both days inclusive, at the counters mentioned in (a) and (b) below:

- (a) with effect from 9:30 a.m. on 7 July 2004, a temporary counter for trading in the Consolidated ALT Shares (represented by blue colour share certificates for the Existing ALT Shares in board lots of 20) will be established and only blue colour share certificates for Existing ALT Shares can be traded at this counter. Each blue colour share certificate for Existing ALT Shares will be valid for settlement and delivery for trading transacted at this counter on the basis of 100 Existing ALT Shares for one Consolidated ALT Share. The original counter for trading in the Existing ALT Shares in board lots of 2,000 each will be temporarily closed with effect from 9:30 a.m. on 7 July 2004; and
- (b) with effect from 9:30 a.m. on 21 July 2004, the original counter will be re-opened and will become a counter for trading in the Consolidated ALT Shares in board lot of 2,000 Consolidated ALT Shares. Only new pink colour share certificates under the new name of ALT for the Consolidated ALT Shares can be traded at this counter; and the temporary counter for trading in the Consolidated ALT Shares (represented by blue colour share certificates for the Existing ALT Shares in board lots of 20) will be removed after the close of business on 11 August 2004. The blue colour share certificates for the Existing ALT Shares will continue to be good evidence of legal title on the basis of 100 Existing ALT Shares for one Consolidated ALT Share, but will not be acceptable for trading and settlement purposes after 11 August 2004.

Subject to the ALT Share Consolidation becoming effective on 7 July 2004, the ALT Shareholders may, during 7 July 2004 to 17 August 2004, submit certificates for the Existing ALT Shares to the branch share registrars of ALT in Hong Kong, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for exchange, at the expense of ALT, for certificates for the Consolidated ALT Shares under the new name of ALT. Thereafter, certificates for the Existing ALT Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Consolidated ALT Shares under the new name of ALT, or for each certificate for the Existing ALT Shares submitted for cancellation, whichever the number is greater. Nevertheless, the blue colour certificates for the Existing ALT Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated ALT Shares at any time at the prescribed fee.

It is expected that new certificates for the Consolidated ALT Shares under the new name of ALT will be available for collection within a period of ten Business Days after the submission of certificates for the Existing ALT Shares to the branch share registrars of ALT in Hong Kong for exchange. Unless otherwise instructed, new share certificates will be issued in board lots of 2,000 each.

ALT has appointed Tai Fook Securities Company Limited as its agent to match the sale and purchase of odd lots of the Consolidated ALT Shares arising from the ALT Share Consolidation from 21 July 2004 up to and including 11 August 2004. Such arrangement is to facilitate the ALT Shareholders who wish to dispose of or top up their odd lots of Consolidated ALT Shares. ALT Shareholders who wish to take advantage of the facility should contact Ms. Eon Lee of Tai Fook Securities Company Limited at 25th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong (Tel: 2160 9983). **ALT Shareholders should note that the matching of the sale and purchase of odd lots of Consolidated ALT Shares is not guaranteed.**

PROPOSED APPOINTMENT AND RE-DESIGNATION OF ALT DIRECTORS

With immediate effect after Completion, it is proposed that Mr. Doo Wai Hoi, William, Mr. Chow Yu Chun, Alexander, Dr. Wai Fung Man, Norman, Mr. Kwong Che Keung, Gordon and Mr. Cheng Ming Fun, Paul, *JP* will be appointed to the ALT Board.

Dr. Cheng Kar Shun, Henry and Mr. To Hin Tsun, Gerald will be re-designated as the executive ALT Directors. Mr. Doo Wai Hoi, William, Mr. Chow Yu Chun, Alexander and Dr. Wai Fung Man, Norman will be appointed as the executive ALT Directors. It is proposed that Dr. Cheng Kar Shun, Henry and Mr. Doo Wai Hoi, William will be the chairman and vice-chairman of the ALT Board respectively. Mr. Lo Lin Shing, Simon will be re-designated as a non-executive ALT Director and Mr. Ho Hau Chong, Norman will remain a non-executive ALT Director. Mr. Wei Chi Kuan, Kenny, Mr. Kwong Che Keung, Gordon and Mr. Cheng Ming Fun, Paul, *JP* will be the independent non-executive ALT Directors. Dr. Wai Fung Man, Norman will be appointed as the chief executive officer of ALT immediately after Completion.

Save for Mr. Lo Lin Shing, Simon, Dr. Cheng Kar Shun, Henry, Mr. Ho Hau Chong, Norman, Mr. To Hin Tsun, Gerald and Mr. Wei Chi Kuan, Kenny, all the existing ALT Directors will resign after Completion.

Further announcement containing detailed information regarding the proposed appointments of the re-designated or new ALT Directors (as prescribed under Rule 13.51(2) of the Amended Listing Rules) will be issued by ALT on or around the effective date of such appointments.

The biography and information of each of the re-designated or new ALT Directors to be appointed are set out below:

Executive Directors

Dr. Cheng Kar Shun, Henry, (aged 57). Dr. Cheng was appointed as a non-executive ALT Director in November 2001. Dr. Cheng is the managing director of NWD, the chairman and managing director of New World China Land Limited, the chairman of each of New World TMT Limited, NWS Holdings Limited and Tai Fook Securities Group Limited. Dr. Cheng is also the managing director of NWD (Hotels Investments) Limited and a director of each of Chow Tai Fook Enterprises Limited and HKR International Limited. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation and a Committee Member of the Tenth National Committee of Chinese People's Political and Consultative Conference of the PRC. In 2001, he was awarded the Gold Bauhinia Star by the Government of Hong Kong. Dr. Cheng is the brother-in-law of Mr. Doo Wai Hoi, William.

Mr. Doo Wai Hoi, William (aged 59). Mr. Doo is currently the deputy chairman of each of New World China Land Limited, NWS Holdings Limited and Tai Fook Securities Group Limited. He also acts as a director of each of NWD (Hotels Investments) Limited and Fund Seng Diamond Company Limited. Mr. Doo has served as a Governor of the Canadian Chamber of Commerce in Hong Kong. In addition, he is appointed as a member of the Executive Committee of the Chinese People's Political and Consultative Conference in Shanghai, the PRC. Mr. Doo is the brother-in-law of Dr. Cheng Kar Shun, Henry.

Mr. Chow Yu Chun, Alexander (aged 57). Mr. Chow is currently an executive director of New World China Land Limited. He is a fellow of The Association of Chartered Certified Accountants, the United Kingdom and an associate of the Hong Kong Society of Accountants and has over 28 years of experience in property development and investment in Hong Kong. Mr. Chow joined the NWD Group in 1973 and is responsible for the financial operations of the NWD Group.

Dr. Wai Fung Man, Norman (aged 55). Dr. Wai is currently an executive director of New World TMT Limited and the president and chief executive officer of New World PCS Limited. Dr. Wai is a veteran with 30 years' experience in telecommunications. Previously, he was a senior executive of various telecommunications companies in Europe, Canada and Hong Kong. Dr. Wai holds a doctoral degree in Electronic Engineering, specializing in digital mobile data communications. He is a qualified Chartered Engineer and a Fellow of The Institution of Electrical Engineers.

Mr. To Hin Tsun, Gerald (aged 54). Mr. To is currently an independent non-executive ALT Director. Mr. To was appointed as an independent non-executive ALT Director in March 2000. Mr. To has been a practicing solicitor in Hong Kong since 1975. Mr. To is also qualified as a solicitor in the United Kingdom, as well as an advocate and solicitor in Singapore. Mr. To is currently the senior and managing partner of Messrs. T. S. Tong & Co., Solicitors and Notaries. Mr. To is also a non-executive director of The Kwong Sang Hong International Limited, NWCB, NWS Holdings Limited and Tai Fook Securities Group Limited.

Non-executive Director

Mr. Lo Lin Shing, Simon (aged 48). Mr. Lo is currently the chairman of ALT. Mr. Lo joined ALT as an independent non-executive ALT Director in March 2000 and was re-designated as an executive ALT Director in December 2000. Mr. Lo is the chairman of Cyber On-Air Group Company Limited and NWCB, and the deputy chairman of Tai Fook Securities Group Limited. He is also an executive director of The Kwong Sang Hong International Limited and a non-executive director of Beijing Beida Jade Bird Universal Sci-Tech Company Limited. Mr. Lo possesses over 20 years of experience in the financial, securities and futures industries.

Independent Non-executive Directors

Mr. Kwong Che Keung, Gordon (aged 54). Mr. Kwong is currently a non-executive director of each of COSCO Pacific Limited and COSCO International Holdings Limited and an independent non-executive director of a number of Hong Kong listed companies, such as NWS Holdings Limited, Tianjin Development Holdings Limited, Beijing Capital International Airport Company Limited, Vision Century Corporation Limited and China Oilfield Services Limited. Mr. Kwong graduated from the University of Hong Kong in 1972, qualifying as a chartered accountant in England in 1977 and was a partner of PricewaterhouseCoopers from 1984 to 1998. He had served as a part-time panel member of the Hong Kong Government's Central Policy Unit from 1993 to 1995 and was an independent member of the Council of the Stock Exchange from 1992 to 1997, during which, he had acted as convener of both the Compliance Committee and the Listing Committee. He was a member of the Panel of Inquiry appointed by the Financial Secretary on the Penny Stocks Incident in 2002.

Mr. Cheng Ming Fun, Paul, JP (aged 66). Mr. Cheng is an independent non-executive director of various listed companies such as Wharf (Holdings) Limited, Sino Land Company Limited and Esprit Holdings Limited in Hong Kong. As a private investor, he is also involved with private equity projects in both Hong Kong and the PRC.

Mr. Cheng is a member of the Executive Committee of the PRC-based All China Federation of Industry and Commerce and serves as an adviser to the China National Committee for Pacific Economic Co-operation and China Center for Economic Research of the Peking University. In Hong Kong, he is a member of the Chinese University of Hong Kong Council and an adjunct professor of Management of Organisations at the Hong Kong University of Science and Technology. He is also a Steward of the Hong Kong Jockey Club.

Prior to 1999, Mr. Cheng was active both as a corporate leader and in politics. He was formerly chairman of Inchcape Pacific Limited, N M Rothschild and Sons (Hong Kong) Limited and a founding partner of China Key Consultants Ltd. He served as chairman of the American Chamber of Commerce in Hong Kong in 1987 and was chairman of the Hong Kong General Chamber of Commerce from 1992 to 1994.

He was a member of the Hong Kong Legislative Council prior to the handover of Hong Kong and also served on the Provisional Legislature after 1997. He was also a member of the Preparatory Committee, appointed by the PRC government, to prepare for the establishment of the Hong Kong SAR on 1 July 1997.

Mr. Cheng is a Justice of Peace and was decorated "Chevalier de l'ordre de la Couronne" by the King of Belgium in 1991. He was made an honorary citizen of Nanjing in Jiangsu Province, the PRC, in September 1994, and was also appointed an Economic Adviser to the city. In 2001, he was inducted into the Beta Gamma Sigma Chapter of the Hong Kong University of Science and Technology in honour of his contributions as a community leader in Hong Kong.

Born in the PRC, Mr. Cheng was raised in Hong Kong and received his higher education in the United States. He has a BA degree from Lake Forrest College (Illinois, the United States) and received his MBA degree from the Wharton Graduate School of Business at the University of Pennsylvania, the United States.

CONTINUING CONNECTED TRANSACTIONS FOR THE ENLARGED ALT GROUP

Members of the Post-Completion NWD Group has entered into certain agreements with members of the NWPCS Group in respect of (i) leasing and licensing of certain properties and sharing of common facilities; (ii) licensing of cell sites; (iii) interconnection, transmission, traffic routing and other related services; and (iv) dealership, value transfer arrangement and provision of miscellaneous services. The transactions contemplated under such agreements will continue after Completion and will constitute Continuing Connected Transactions for the Enlarged ALT Group upon Completion under Chapter 14A of the Amended Listing Rules. Details of the Continuing Connected Transactions are set out below:

A. Leasing and licensing of properties and sharing of common facilities

The Post-Completion NWD Group has agreed to lease various properties to the NWPCS Group for use as its offices, retail shops, warehouse and switching centres.

On 1 July 2002 and 15 December 2003, the Post-Completion NWD Group has agreed to let approximately 136,472 sq.ft. of the premises situated at Chevalier Commercial Centre, Kowloon Bay, Kowloon, Hong Kong as the head office of the NWPCS Group. In relation to the premises leased by the Post-Completion NWD Group to the NWPCS Group, the rental payment was determined with reference to market rates at the time when the relevant agreement was signed. The term for the lease is for the period of three years up to and including 31 July 2006.

Furthermore, out of the aforesaid area of 136,472 sq.ft. of the premises situated at Chevalier Commercial Centre, Kowloon Bay, Kowloon, Hong Kong, the NWPCS Group has agreed to license portion of the aforesaid premises to NWT for use as the office of NWT and to share some common facilities and related services with NWT. In relation to the premises licensed by the NWPCS Group to NWT, the licence payment was determined with reference to market rates at the time when the relevant agreement was signed. The term for the licence is for the period of three years up to and including 31 July 2006.

In addition, the NWPCS Group also agreed on 10 December 2001 and 10 May 2004 to lease premises from the Post-Completion NWD Group as warehouse and switching centre for the term of three years up to 31 December 2005. The rental payments were determined with reference to market rates at the time when the relevant agreements were signed.

On 30 June 2000, the Post-Completion NWD Group has agreed to license certain premises at World Peace Centre, Kwai Chung, New Territories, Hong Kong to the NWPCS Group as a switching centre for operations of its infrastructure facilities under a co-location agreement. The licence fee payable by the NWPCS Group was determined with reference to market rates at the time when the co-location agreement was signed.

The details of the transactions contemplated under the various agreements in respect of leasing and licensing of properties are set out below:

(i) Leasing and licensing of properties – payments by the NWPCS Group

	Description	Date of agreement	Expiry date	Floor area (sq.ft.)	Lessor	Relationship of the lessor with the NWD Group	Actual amount paid for the financial year ended 30 June 2003 (HK\$'000)
1.	Tenancy of 8/F, 16/F, 17/F, 18/F and Rooms 1112-1116 of 11/F of Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon	1 July 2002/ 15 December 2003	31 July 2006	136,472	Newly Development Limited	a wholly-owned subsidiary of NWD	19,382
2.	Tenancy of Workshops 1-12, 10/F, World Peace Centre, 55 Wo Tong Tsui Street, Kwai Chung, New Territories	10 December 2001/ 10 May 2004	31 December 2005	13,492	Global Winner Limited	a jointly controlled entity of NWD	791
3.	Co-location agreement for licensing of 6/F, World Peace Centre, 55 Wo Tong Tsui Street, Kwai Chung, New Territories	30 June 2000	30 June 2006	2,504	NWT	a wholly-owned subsidiary of NWD	7,807
sub-total							27,980

(ii) *Licensing of properties – receipts by the NWPCS Group*

							Actual amount received for the financial year ended 30 June 2003 (HK\$'000)
	Description	Date of agreement	Expiry date	Floor area (sq.ft.)	Licensee	Relationship of the licensee with the NWD Group	
1.	Licensing of part of 8/F, 16/F, 17/F, 18/F and Rooms 1112-1116 of 11/F of Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon	19 May 2004 (no written licence agreement for the term from 1 August 2001 to 31 July 2003 was signed)	31 July 2006	59,236	NWT	a wholly-owned subsidiary of NWD	9,255
2.	Management support agreement for sharing of office supplies and administration of common areas and supplemental agreements for 8/F, 16/F, 17/F, 18/F and Rooms 1112-1116 of 11/F of Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon	30 June 2000/ 22 March 2002/ 29 July 2002	31 July 2006	N.A.	NWT	a wholly-owned subsidiary of NWD	313
sub-total							9,568

B. Licensing of cell sites

In order to facilitate the NWPCS Group to provide geographic coverage of mobile services throughout Hong Kong, the Post-Completion NWD Group has licensed to the NWPCS Group 15 premises as cell sites for installation and operations of antenna and repeater equipment which form an integral and mandatory part of the mobile network architect of the NWPCS Group. The licences for the aforesaid cell sites are for various terms of not more than three years, expiring no later than 30 June 2006. The licence payments were determined with reference to market rates at the time when the relevant agreements were signed and based on, among other factors, the locations of cell sites, total areas occupied, facilities provided and availability of alternative sites.

The details of the transactions contemplated under the various agreements in respect of licensing of cell sites are set out below:

	Description	Date of agreement	Expiry date	Licensor	Relationship of the licensor with the NWD Group
1.	Licensing of cell sites at main roof, New World Tower Two, 18 Queen's Road Central, Hong Kong	18 March 2002/ 26 May 2003	20 March 2005	New World Tower Company Limited	a wholly-owned subsidiary of NWD
2.	Licensing of cell sites at shop No. RBS03 of Pier 6, Central, Hong Kong	12 March 2002/ 15 March 2004	28 February 2006	New World First Ferry Services Limited	a jointly controlled entity of NWD
3.	Licensing of cell sites at shop No. RBS04 of North Point (West) Ferry Pier, Hong Kong	12 March 2002/ 15 March 2004	28 February 2006	New World First Ferry Services Limited	a jointly controlled entity of NWD
4.	Licensing of cell sites at roof and store room at 7/F, New World First Bus Depot, 8 Chong Fu Road, Chaiwan, Hong Kong	29 June 2002/ 20 May 2004	30 November 2005	New World First Bus Services Limited	a jointly controlled entity of NWD
5.	Licensing of cell sites at Grand Hyatt, 1 Harbour Road, Wanchai, Hong Kong	21 June 2001/ 30 May 2003	31 May 2005	Grand Hyatt Hong Kong Limited	a 64% owned subsidiary of NWD
6.	Licensing of cell sites at G/F-7/F carpark at New World Tower, 18 Queen's Road Central, Hong Kong	24 December 2001/ 26 May 2003	31 December 2004	New World Tower Company Limited	a wholly-owned subsidiary of NWD
7.	Licensing of cell sites at Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong	16 October 2001/ 27 August 2003	31 August 2005	Renaissance Harbour View Hotel Limited	a 64% owned subsidiary of NWD
8.	Licensing of cell sites at Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong	1 March 2002/ 9 February 2004	28 February 2006	Kiu Lok Service Management Company Limited	a 54% owned subsidiary of NWD
9.	Licensing of cell sites at New World First Ferry Office, Room G12-13, G/F, China Hong Kong Ferry Terminal, Tsimshatsui, Kowloon	9 July 2003	30 June 2006	New World First Ferry Services (Macau) Limited	a jointly controlled entity of NWD
10.	Licensing of cell sites at Flat roof and upper roof of East Wing Office Building, New World Centre, 20 Salisbury Road, Tsimshatsui, Kowloon	4 September 2001	31 August 2004	Hong Kong Island Development Limited	a wholly-owned subsidiary of NWD
11.	Licensing of cell sites at Level 3A, multi-storey car park, New World Centre, 18-24 Salisbury Road, Tsimshatsui, Kowloon	8 May 2002/ 7 May 2004	28 February 2006	Hong Kong Island Development Limited	a wholly-owned subsidiary of NWD
12.	Licensing of cell sites at B1-B4, New World Centre Palace Mall, 12 Salisbury Road, Tsimshatsui, Kowloon	31 July 2002	31 July 2004	Hong Kong Island Development Limited	a wholly-owned subsidiary of NWD

13.	Licensing of cell sites at Levels 5 and 6, New World Renaissance Hotel and New World Sauna, 22 Salisbury Road, Tsimshatsui, Kowloon	5 February 2002/ 31 December 2003	31 December 2005	New World Hotel Company Limited	a 64% owned subsidiary of NWD
14.	Licensing of cell sites at Level 5, New World Department Store, 22 Salisbury Road, Tsimshatsui, Kowloon	1 February 2002	31 January 2005	New World Sauna Limited	a 51% owned subsidiary of NWD
15.	Licensing of cell sites at roof, B1, B2, G/F, 2/F, 5/F, 6/F and 8/F Riviera Plaza, 28 Wing Shun Street, Tsuen Wan, New Territories	13 January 2003/ 4 February 2004	31 January 2005	Tsuen Wan Properties Limited	a wholly-owned subsidiary of NWD

C. Interconnection, transmission, traffic routing and other related services

The fixed telecommunications networks of NWT and the mobile networks of the NWPCS Group are interconnected under an interconnection agreement (as supplemented) for delivery of telephone calls. Pursuant to the interconnection agreement, the NWPCS Group has agreed to pay for the inter-switch transmission (ISW) links, point-of-interconnection (POI) links, public non-exclusive telephone services (PNETS) charges and mobile number porting (MNP) and dipping charges. The charges of the said services were determined either by OFTA or by reference to the applicable rates of PCCW-HKT Limited.

In addition, the NWPCS Group has leased some high-speed transmission links from NWT for connection amongst its cell sites, retail shops, switching centres, offices and some telephone lines for office use of the NWPCS Group. The NWPCS Group has also agreed to use the wholesale international direct dial traffic routing service of NWT.

The details of the transactions contemplated under the various agreements in respect of interconnection, transmission, traffic routing and other related services are set out below:

Description	Date of agreement	Expiry date	Party	Relationship of the party with the NWD Group
1. Price review for telephone line service and supplemental agreement	8 February 2002/ 12 December 2003/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
2. Wholesale international direct dial 009 agreement and supplemental agreement	3 July 2000/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
3. Interconnection agreement (<i>Note 1</i>) regarding provision of ISW links, POI links, PNETS charges and MNP, as supplemented by:- a. Letter agreement dated 1 May 1999 regarding POI E1, MNP and dipping services b. Summary of terms and conditions for interconnection and POI dated 10 January 2002 c. Summary of terms and conditions for provision of inter-switch E1 links for data transmission dated 1 May 2002 d. Letter agreement dated 21 February 2003 e. Annex dated 31 March 2003 f. Supplemental agreement dated 31 March 2003 to summary of terms and conditions for provision of inter-switch E1 links for data transmission. g. Letter agreement dated 2 February 2004 h. Letter agreement dated 7 May 2004 regarding the offer of renewal for POI ports. i. Supplemental agreement dated 31 May 2004	30 June 2000	30 June 2006	NWT	a wholly-owned subsidiary of NWD

	Description	Date of agreement	Expiry date	Party	Relationship of the party with the NWD Group
4.	Letter agreement for ETS transit as amended by a fax message and supplemental agreement	3 July 2000/ 6 February 2004/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
5.	Letter agreement for E1 service for NWPCS in MTR stations	9 November 1998	December 2005	NWT	a wholly-owned subsidiary of NWD
6.	Provision of mobile access E1 and T1 lines (<i>Note 2</i>)	1 January 2002	No later than January 2005	NWT	a wholly-owned subsidiary of NWD
7.	Offer for contract renewal for multiple protocols labeling switch service and supplemental agreement	27 October 2002/ 20 November 2003/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
8.	Purchase order for leasing of OC3 fibre link and supplemental agreement	5 February 2002/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
9.	Letter agreement regarding offer for T3 link data services	14 September 2001	18 June 2004 (<i>Note 4</i>)	NWT	a wholly-owned subsidiary of NWD
10.	Letter agreement regarding offer for T3 link data services	3 January 2002	26 April 2004 (<i>Note 4</i>)	NWT	a wholly-owned subsidiary of NWD
11.	Order for T3 link data services and supplemental agreement	7 April 2003/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
12.	Data link services and supplemental agreement	Between August 1997 and December 2002/31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD

In addition, the NWPCS Group and NWT have entered into the following agreements since 1 July 2003 up to the Latest Practicable Date:–

	Description	Date of agreement	Expiry date	Party	Relationship of the party with the NWD Group
1.	Letter agreement regarding international internet protocols transit service	5 August 2003	30 June 2006	NWT	a wholly-owned subsidiary of NWD
2.	Letter agreement regarding international internet protocols transit service	5 August 2003	30 June 2006	NWT	a wholly-owned subsidiary of NWD
3.	MultiCom IPLC service application form	16 June 2003	30 June 2006	NWT	a wholly-owned subsidiary of NWD
4.	Letter agreement regarding E1 data services and supplemental agreement	11 November 2003/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD
5.	Offer of renewal for POI ports (supplemental to the interconnect agreement dated 30 June 2000) (see item 3(h) above)	7 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD

Notes:

1. This is the master agreement covering various types of interconnection services or links ordered by the NWPCS Group.
2. Under this agreement, NWT orders E1 and T1 links on behalf of the NWPCS Group in order to obtain volume discounts.
3. “E1” – digital telephony format that carries data at a rate of 2.048 million bits per second.
“T1” – digital telephony format that carries data at a rate of 1.544 million bits per second.
“OC3” – digital telephony format that carries data at a rate of 155.52 million bits per second.
“T3” – digital telephony format that carries data at a rate of 45 million bits per second.
4. These agreements were already terminated by notice and the transactions under such agreements will not continue following Completion.

D. Dealership, value transfer arrangement and provision of miscellaneous services

The NWPCS Group has appointed NWT to act as its non-exclusive dealer to sell prepaid SIM cards and recharge coupons for the prepaid SIM cards to any mobile service users. In addition, commercial agreement has been entered between the NWPCS Group and NWT, which allows the prepaid international calling card customers of NWT to transfer the credit balance in the customers’ prepaid international calling card of NWT to the mobile SIM card of the NWPCS Group. On the other hand, NWT also appointed the NWPCS Group as its non-exclusive dealer for prepaid and post-paid international calling cards, and for enlisting international direct dial 009 customers.

The NWPCS Group has also entered into other agreements with the Post-Completion NWD Group, under which the Post-Completion NWD Group will continue to provide miscellaneous services to the NWPCS Group, which includes cleaning services for office premises and provision of websites maintenance services for the websites of the NWPCS Group.

The details of the transactions contemplated under the various agreements in respect of dealerships, value transfer arrangement and provision of miscellaneous services are set out below:

(i) *Dealership, value transfer arrangement and provision of miscellaneous services – payments by the NWPCS Group*

					Actual amount paid for the financial year ended 30 June 2003 (HK\$'000)
Description	Date of agreement	Expiry date	Party	Relationship of the party with the NWD Group	
1. Agreement for appointment of NWT as non-exclusive dealer for prepaid SIM cards and recharge coupons and supplemental agreement	17 May 2002/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD	5
2. Value transfer agreement and supplemental agreement	30 April 2004/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD	1,238
3. Agreement for cleaning for the office of the NWPCS Group	18 December 2003	31 December 2005	Pollution & Protection Services Limited	a 54% owned subsidiary of NWD	534
4. Purchase order for maintenance of website	19 February 2003/ 9 December 2003	31 December 2003 and 31 December 2004	New World Concepts Co. Ltd.	a wholly-owned subsidiary of NWD	60
sub-total					1,837

(ii) *Dealership – receipts by the NWPCS Group*

					Actual amount received for the financial year ended 30 June 2003 (HK\$'000)
Description	Date of agreement	Expiry date	Party	Relationship of the party with the NWD Group	
1. Dealer distribution agreement for appointing NWPCS as the non-exclusive distributor for international calling card and for enlisting IDD009 customers and supplemental agreement	30 June 2000/ 31 May 2004	30 June 2006	NWT	a wholly-owned subsidiary of NWD	909

AMOUNTS OF CONTINUING CONNECTED TRANSACTIONS

The actual and expected values of the Continuing Connected Transactions are set out below:

	For the financial year ended 30 June 2003 (HK\$ million) Actual	For the financial year ending 30 June 2004 (HK\$ million) Expected	For the financial year ending 30 June 2005 (HK\$ million) Expected	For the financial year ending 30 June 2006 (HK\$ million) Expected
Amounts paid/to be paid by the Enlarged ALT Group:				
(i) Leasing and licensing of properties	28.0	24.0	21.0	21.0
(ii) Licensing of cell sites	3.0	3.0	2.9	2.9
(iii) Interconnection, transmission, traffic routing and other related services	99.1	78.0	71.0	71.0
(iv) Dealership, value transfer arrangement and provision of miscellaneous services	1.8	4.0	5.0	5.0
Amounts received/to be received by the Enlarged ALT Group:				
(v) Licensing of properties and sharing of common facilities	9.6	9.0	8.0	8.0
(vi) Dealer distribution agreement	1.0	0.2	0.1	0.1

The expected values of the Continuing Connected Transactions for the three years ending 30 June 2006 are based on the projections with reference to the terms of the relevant agreements, which do not show significant fluctuations during the corresponding period. The NWD Board and the ALT Board consider that (i) the terms of the Continuing Connected Transactions are on normal commercial terms; and (ii) the entering into of the Continuing Connected Transactions would be in the ordinary and usual course of business of the Enlarged ALT Group. The ALT Board is of the view that the entering into of the Continuing Connected Transactions, together with the entering into of the S&P Agreement and the Subscription Agreement, would be in the interests of ALT and the ALT Shareholders as a whole.

PROFORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE ENLARGED ALT GROUP

Set out below is an unaudited proforma statement of adjusted consolidated net tangible assets of the ALT Group before Completion based on the audited consolidated net assets of the ALT Group as at 31 December 2003 as set out in Appendix II to the Circular and an unaudited proforma statement of adjusted consolidated net tangible assets/(liabilities) of the Enlarged ALT Group after Completion based on the unaudited proforma consolidated statement of assets and liabilities of the Enlarged ALT Group as set out in section 1 of Appendix III to the Circular:

Audited consolidated net assets of the ALT Group as at 31 December 2003	Less: Unamortised goodwill on acquisition of NWCB Shares as at 31 December 2003	Unaudited consolidated net tangible assets of the ALT Group as at 31 December 2003 (Note 1)	Unaudited proforma adjusted consolidated net tangible assets of the ALT Group as at 31 December 2003 attributable to each Consolidated ALT Share before Completion and ALT Distribution (Note 1 & 2)
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>
<u>108,231</u>	<u>(10,781)</u>	<u>97,450</u>	<u>2.60</u>
Unaudited proforma consolidated net liabilities of the Enlarged ALT Group after Completion	Less: Estimated goodwill arising from the Transactions (Note 3)	Unaudited proforma consolidated net tangible liabilities of the Enlarged ALT Group after Completion	Unaudited proforma adjusted consolidated net tangible liabilities attributable to each Consolidated ALT Share after Completion (Note 4)
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>
<u>(1,066,959)</u>	<u>(10,738)</u>	<u>(1,077,697)</u>	<u>(13.61)</u>

Notes:

1. The unaudited consolidated net tangible assets of the ALT Group as at 31 December 2003 shown above included the net carrying value of NWCB Shares of approximately HK\$64,899,000. The unaudited proforma adjusted consolidated net tangible assets of the ALT Group as at 31 December 2003 after the ALT Distribution but before Completion is approximately HK\$32,551,000. The unaudited proforma adjusted consolidated net tangible assets of the ALT Group as at 31 December 2003 after the ALT Distribution but before Completion attributable to each Consolidated ALT Share is HK\$0.87.
2. The number of Consolidated ALT Shares used for the calculation of this figure is 37,515,557 existing Consolidated ALT Shares.
3. Details of estimated goodwill arising from the Transactions are set out in note 4 of section 1 in Appendix III to the Circular.
4. The number of Consolidated ALT Shares used for the calculation of this figure comprises the existing Consolidated ALT Shares and the Subscription Shares.

By Order of the Board of
New World Development Company Limited
LEUNG Chi-Kin, Stewart
Company Secretary

By Order of the Board of
Asia Logistics Technologies Limited
LO Lin Shing, Simon
Chairman

Hong Kong, 2 June 2004

The NWD Board comprises:

Executive Directors:

Dato' Dr. CHENG Yu-Tung (*Chairman*), Dr. CHENG Kar-Shun, Henry (*Managing Director*), Dr. SIN Wai-Kin, David and LIANG Chong-Hou, David

Non-executive Directors:

The Honourable LEE Quo-Wei*, Lord SANDBERG, Michael*, Dr. HO Tim*, CHENG Yue-Pui, YEUNG Ping-Leung, Howard*, Dr. CHA Mou-Sing, Payson*, CHENG Kar-Shing, Peter, LEUNG Chi-Kin, Stewart, CHAN Kam-Ling, CHOW Kwai-Cheung, CHA Mou-Zing, Victor (*Alternate Director to Dr. CHA Mou-Sing, Payson*) and HO Hau-Hay, Hamilton (*Alternate Director to Dr. HO Tim*)

* *Independent non-executive Directors*

The ALT Board comprises:

Executive Directors:

LO Lin Shing, Simon (*Chairman*), CHAN Ki (*Vice Chairman*), CHAN Wai Keung, Ringo (*Chief Executive Officer*), YU Ansheng, Ben, LO Lin Kwong and ZHAO Rui

Non-executive Directors:

Dr. CHENG Kar-Shun, Henry and HO Hau Chong, Norman

Independent non-executive Directors:

TO Hin Tsun, Gerald and WEI Chi Kuan, Kenny

The directors of NWD jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the ALT Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge the opinions expressed in this announcement (other than information relating to the ALT Group) have been arrived at after due and careful consideration and there are no other facts (other than information relating to the ALT Group) not contained in this announcement the omission of which would make any of the statements (other than information relating to the ALT Group) in this announcement misleading.

The directors of ALT jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to NWD) and confirm, having made all reasonable inquiries, that to the best of their knowledge the opinions expressed in this announcement (other than information relating to NWD) have been arrived at after due and careful consideration and there are no other facts (other than information relating to NWD) not contained in this announcement the omission of which would make any of the statements (other than information relating to NWD) in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.