



新世界發展有限公司
New World Development Company Limited

04 APR -9 AM 7:21

Securities & Exchange Commission
Office of International Corporate Finance
Room 3045
450 Fifth Street, N.W.
Washington, D. C. 20549
U S A



04024319

SUPPL

Dear Sirs

Re: File Number 82-2971
New World Development Co Ltd
Rule 12g3-2 (b) exemption

We refer to the above and enclose herewith Announcement dated April 1, 2004 in connection with the connected transaction between the Company and Asia Logistics Technologies Limited in duplicate for your files.

PROCESSED

APR 14 2004

THOMSON
FINANCIAL

Yours truly
For and on behalf of
New World Development Co Ltd

Michael C Pei

Encls.
MP/jc

c.c. Ms Ellen Lin- The Bank of New York

dlw
4/13

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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)

CONNECTED TRANSACTION

- (1) PROPOSED DISPOSAL OF THE ENTIRE INTEREST IN NEW WORLD PCS HOLDINGS LIMITED;
- (2) PROPOSED SUBSCRIPTION OF NEW SHARES AND A CONVERTIBLE NOTE ISSUED BY ASIA LOGISTICS TECHNOLOGIES LIMITED;
- AND
- (3) APPLICATION FOR A WHITEWASH WAIVER

AsiaLogistics



ASIA LOGISTICS TECHNOLOGIES LIMITED

亞洲物流科技有限公司 *

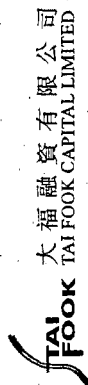
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

MAJOR AND CONNECTED TRANSACTIONS

- (1) PROPOSED ACQUISITION OF THE ENTIRE INTEREST IN NEW WORLD PCS HOLDINGS LIMITED;
- (2) PROPOSED ISSUE OF NEW SHARES AND A CONVERTIBLE NOTE;
- (3) PROPOSED DISTRIBUTION IN SPECIE OF THE ENTIRE INTEREST IN NEW WORLD CYBERBASE LIMITED (STOCK CODE: 276), CAPITAL REDUCTION, INCREASE IN AUTHORISED SHARE CAPITAL AND SHARE CONSOLIDATION;
- AND
- (4) PROPOSED CHANGE OF NAME

Financial adviser to Asia Logistics Technologies Limited



大福融資有限公司
TAI FOOK CAPITAL LIMITED

* for identification only

SUMMARY

1. The S&P Agreement was entered into between NWTHL, a wholly-owned subsidiary of NWD, and ALT, pursuant to which ALT agreed to purchase and NWTHL agreed to dispose of the entire interest in NWPCS. The aggregate consideration for the Sale Shares amounts to HK\$1,250 million which will be satisfied in cash upon S&P Completion. S&P Completion is conditional upon, among other conditions, the Subscription Completion.

2. The Subscription Agreement

On 29 March 2004, the Subscription Agreement was also entered into between PPG, a wholly-owned subsidiary of NWD, and ALT, pursuant to which PPG agreed to subscribe for: (i) 4,166,666,667 Subscription Shares (or 41,666,666 Consolidated ALT Shares) at an issue price of HK\$0.012 per Existing ALT Share (or HK\$1.20 per Consolidated ALT Share), representing a discount of approximately 72.7% to HK\$0.044, being the closing price of the last trading day of the Existing ALT Shares prior to the Suspension; and (ii) the Subscription Note at a principal amount of HK\$1,200 million.

3. ALT Distribution, ALT Capital Reduction, ALT Share Increase and ALT Share Consolidation

ALT Distribution to effect the ALT Distribution, the ALT Capital Reduction, the ALT Share Increase and the ALT Share Consolidation will only become effective upon Subscription Completion. Since Completion (including Subscription Completion) is subject to the fulfillment of a number of conditions precedent (as described more fully below), the ALT Distribution, the ALT Share Increase and ALT Share Consolidation may or may not take place. However, the ALT Capital Reduction will become effective irrespective of whether the S&P Agreement or the Subscription Agreement is completed or not.

A. ALT Distribution

The ALT Distribution will involve a distribution in specie of all NWCB Shares held by ALT to all ALT Shareholders whose names appear on the register of members of ALT on the Record Date if Completion takes place in the following manner:

FOR EVERY 10 CONSOLIDATED ALT SHARES (OR 1,000 EXISTING ALT SHARES) HELD

426 NWCB SHARES

B. ALT Capital Reduction and ALT Share Increase

To facilitate the ALT Distribution and the issue of the Subscription Shares and the Conversion Shares (in the event that the conversion rights under the Subscription Note are exercised) and in any event to give ALT greater flexibility in making future dividend payments (if any), ALT Board also proposes to effect the ALT Capital Reduction and the ALT Share Increase, whereby (i) the entire amount standing to the credit of the share premium account of ALT (the audited share premium account being approximately HK\$440.9 million as at 31 December 2002) will be applied first to set off against the accumulated losses of ALT (the audited accumulated losses being approximately HK\$235.5 million as at 31 December 2002) and thereafter to effect the ALT Distribution and the balance (if any) to be applied as the consideration appropriate, subject to compliance with the laws of the Cayman Islands including the payment of future dividends (if any) to the ALT Shareholders; and (ii) the existing authorised share capital of ALT will be increased from HK\$100,000,000 to HK\$2,000,000,000 by the creation of additional 190,000 million Existing ALT Shares (or 1,900 million Consolidated ALT Shares).

C. ALT Share Consolidation

The ALT Board also proposes, if Subscription Completion takes place, that every 100 issued or unissued Existing ALT Shares of HK\$0.01 each will be consolidated into one Consolidated ALT Share of HK\$1.00.

4. Proposed change of name of ALT

The ALT Board also proposes that, if Subscription Completion takes place, ALT will change its name to "New World Mobile Holdings Limited" and adopt a Chinese name of "新世界移動控股有限公司" for identification purposes only. The change of name will reflect the business focus of the ALT Group after Completion.

5. Whitewash Waiver

Immediately after the issue of the Subscription Shares at Subscription Completion but before the exercise of any of the conversion rights under the Subscription Note and the ALT Convertible Note, the aggregate voting rights of the NWD Group in ALT (including the interest to be held by PPG) will increase from approximately 5.60% to approximately 55.27%. As such, PPG and its Concert Parties will have an obligation to make mandatory general offers for all the Existing ALT Shares or Consolidated ALT Shares, the ALT Convertible Note and the outstanding ALT Share Options other than those already owned or agreed to be subscribed by PPG and its Concert Parties following Subscription Completion pursuant to Rule 26.1 of the Takeovers Code. PPG will make an application to the Executive for the grant of the Whitewash Waiver. The Whitewash Waiver, if granted, will be subject to the independent ALT Shareholders' approval at the EGM by poll.

6. General

Since Mr. Simon Lo, the controlling ALT Shareholder, was the directors of certain subsidiaries of NWD for the past twelve months prior to the date of the S&P Agreement and the Subscription Agreement, each of the S&P Agreement and the Subscription Agreement constitutes a connected transaction of NWD under the Listing Rules. Since the consideration under each of the S&P Agreement and the Subscription Agreement falls under the de-minimis provision of Rule 14.23(1) of the Listing Rules, the entering into of the S&P Agreement and the Subscription Agreement by each of NWTHL and PPG is only subject to disclosure by NWD in this announcement and the annual report of NWD.

Given the consideration of the Sale Shares, the S&P Agreement constitutes a major transaction for ALT under the Listing Rules. The effect of the Subscription Agreement (the completion of which is conditional upon Subscription Completion) taken together is that ALT has agreed to purchase 100% equity interest in NWPCS, the indirect owner of which (being NWD) will become the controlling ALT Shareholder (through PPG and NWCBN, each of them is a wholly-owned subsidiary of NWD). As such, the Subscription Agreement and the S&P Agreement, taken as a whole, also constitutes a connected transaction for ALT pursuant to Rule 14.23(1)(b) of the Listing Rules which requires the independent ALT Shareholders' approval.

A circular giving details of the Transactions including, among others, (i) the recommendation of the independent board committee of ALT to the independent financial adviser to the independent board committee of ALT in respect of the terms and conditions of the Transactions under the Subscription Agreement, the S&P Agreement and the Whitewash Waiver, and (ii) a notice of the EGM is expected to be despatched by ALT to the ALT Shareholders as soon as practicable and in accordance with the Amended Listing Rules and the Takeovers Code.

Further announcement in respect of, among others, (i) details of certain non-exempt continuing connected transactions between the ALT Group and the NWD Group upon Completion (if any); (ii) details of proposed change of management and directors of ALT; and (iii) details of proposed change of company name of ALT; (iv) details of proposed change of management and directors of ALT; and (v) details of proposed change of company name of ALT; (vi) details of proposed change of company name of ALT; and (vii) details of proposed change of company name of ALT; will be made to the terms of the ALT Convertible Note, and ALT Share Options will be made as soon as practicable.

Trading in the securities of NWD and the Existing ALT Shares on the Stock Exchange were suspended at the request of NWD and ALT with effect from 9:33 a.m. on 1 April 2004 and 9:30 a.m. on 2 April 2004. Applications have been made to the Stock Exchange for the resumption of trading of the securities of NWD and the Existing ALT Shares with effect from 9:30 a.m. on 2 April 2004.

The respective shareholders of NWD and ALT and potential investors should note that the Transactions, which are subject to a number of conditions precedent, may or may not be completed. The respective shareholders of NWD and ALT and potential investors are reminded to exercise caution when dealing in the securities of NWD and ALT.

1. THE S&P AGREEMENT

Date:

29 March 2004

Parties:

NWTHL (as Vendor)

ALT (as Purchaser)

Assets to be acquired by ALT:

The Sale Shares

Consideration:

HK\$1,250 million payable in cash upon S&P Completion.

The consideration for the Sale Shares was determined after arm's length negotiations between the parties to the S&P Agreement, taking into account, among other factors, (i) the audited consolidated profits attributable to the shareholders of NWPCS for the year ended 30 June 2003 of approximately HK\$202.0 million; (ii) the audited consolidated earnings before interests, taxation, amortisation and depreciation (EBITDA) of NWPCS for the year ended 30 June 2003 of approximately HK\$440.8 million; and (iii) the audited consolidated net deficit of NWPCS as at 30 June 2003 of approximately HK\$1,263.7 million and the proposed capitalisation of the NWPCS Shareholder's Loan in the manner as described under the paragraph headed "Treatment of the NWPCS Shareholder's Loan and the Bank Loans" below. The proforma unaudited consolidated net deficit of the NWPCS Group as at 30 June 2003 immediately after the aforesaid capitalisation of the NWPCS Shareholder's Loan would be approximately HK\$79.6 million.

Treatment of the NWPCS Shareholder's Loan and the Bank Loans:

As at 29 February 2004, the Aggregate Liabilities amounted to approximately HK\$2,254.1 million, representing amounts outstanding under the Bank Loans (being approximately HK\$462.5 million) and the NWPCS Shareholder's Loan (being approximately HK\$1,791.6 million). The NWPCS Shareholder's Loan is unsecured, interest-free and will be repayable on demand after 30 June 2004. The Bank Loans are currently guaranteed by NWD, which the Bank Guarantees are to be released as one of the conditions precedent to the S&P Completion. If required, the Bank Loans will be repaid at Completion by a fresh loan from another subsidiary of NWD to NWPCS. The new loan will be repayable on demand after 18 months from the date of the S&P Agreement. If the Aggregate Liabilities on the Business Day prior to Completion exceeds HK\$1,250 million, part of the NWPCS Shareholder's Loan will be capitalised so that the Aggregate Liabilities as at Completion does not exceed that amount. In sum, the Aggregate Liabilities in the books of NWPCS Group would be amounted to HK\$1,250 million upon Completion.

ALT Board's view

The ALT Board (save for the independent non-executive directors of ALT) considers the consideration for the Sale Shares, in the context of the Transactions as a whole, to be fair and reasonable so far as the interest of the ALT Shareholders is concerned. An independent board committee of ALT will be formed to advise the Independent ALT Shareholders in respect of the S&P Agreement. An independent financial adviser will be appointed to advise the independent board committee of ALT in respect of the S&P Agreement.

NWD Board's view

The NWD Board (including the independent non-executive directors of NWD) considers the consideration for the Sale Shares, in the context of the Transactions as a whole and taking into account, among others, the factors in the determination of the consideration of the Sale Shares as set out above, to be fair and reasonable so far as the interest of the NWD Shareholders is concerned.

Conditions precedent:

S&P Completion is subject to the following conditions precedent:

- approval by the Independent ALT Shareholders of the transactions contemplated under the S&P Agreement;
- compliance (unless otherwise waived by the Stock Exchange) of announcement and shareholders approval requirements under the Amended Listing Rules or otherwise of the Stock Exchange in relation to present and future transactions of the NWPCS Group which, immediately following Completion, will constitute non-exempt continuing connected transactions of ALT under the Amended Listing Rules;
- no indication having been received from the Stock Exchange that as a result of the sale and purchase of the Sale Shares as contemplated under the S&P Agreement, ALT is or will be treated as a new listing applicant under the Amended Listing Rules;
- completion of the legal and financial due diligence on the NWPCS Group to the reasonable satisfaction of ALT;
- agreement having been received from the relevant bank creditors for the release on or before S&P Completion of the Bank Guarantees;
- the Consolidated ALT Shares or the Existing ALT Shares remaining listed on the Stock Exchange at all times prior to and on S&P Completion and the current listing of the Consolidated ALT Shares or the Existing ALT Shares not having been withdrawn or the trading of the Consolidated ALT Shares or the Existing ALT Shares not having been suspended for a consecutive period of more than seven trading days (other than any suspension due to the clearance of the announcement in respect of the transactions contemplated under the S&P Agreement) and no indication being received on or before the date of the S&P Completion from the Stock Exchange or the SFC to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of S&P Completion or in connection with the terms of the S&P Agreement or for any other reason;
- all consents (subject only to conditions which NWTHL and ALT have no reasonable objection) having been obtained from the OFTA (if required);
- the obtaining of such other consent, approval, authorisation, permission, waiver or exemption which may be required from government or regulatory authorities or other third parties which are necessary or desirable in connection with the performance of the S&P Agreement and any of the transactions contemplated under the S&P Agreement; and
- the Subscription Completion.

If the conditions are not fulfilled or (in respect of the condition (d) above only) waived in writing by ALT or (in respect of the condition (f) above only) waived in writing by NWTHL, on or before the Long Stop Date, the S&P Agreement shall terminate at 11:59 p.m. on the Long Stop Date and neither party to the S&P Agreement shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any prior breach of the S&P Agreement).

S&P Completion:

S&P Completion shall take place at 10:00 a.m. on the third Business Day after satisfaction or waiver by ALT or NWTHL of the above conditions (other than the condition (i) above which is required to have fulfilled immediately before S&P Completion).

2. THE SUBSCRIPTION AGREEMENT

A. The Subscription Shares and the Subscription Note

Date:

29 March 2004

Parties:

PPG (as subscriber)

ALT (as issuer)

The subscriptions:

PPG has agreed to subscribe for the Subscription Shares and the Subscription Note on the terms described in more detail below.

The Subscription Shares:

4,166,666,667 new Existing ALT Shares (or 41,666,666 new Consolidated ALT Shares) to be issued and allotted at an issue price of HK\$0.012 per Existing ALT Share (or HK\$1.20 per Consolidated ALT Share) by ALT to PPG.

Based on the closing price of approximately HK\$0.044 per Existing ALT Share as at 25 March 2004 (being the last trading day of the Existing ALT Shares on the Stock Exchange prior to the Suspension), the Subscription Shares would have a market value of approximately HK\$183.3 million. Based on the average closing price of approximately HK\$0.0432 per Existing ALT Share for the last five consecutive trading days up to and including 25 March 2004, the Subscription Shares will have a market value of approximately HK\$188.3 million.

The number of the Subscription Shares (i.e. 4,166,666,667 new Existing ALT Shares or 41,666,666 new Consolidated ALT Shares) represent approximately 11.07% of the existing issued share capital of ALT and approximately 52.62% of the issued share capital of ALT as enlarged by the issue of the Subscription Shares, but without taking into account of the issue of the Conversion Shares.

Application will be made by ALT to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The issue price of the Subscription Shares of HK\$0.012 per Existing ALT Share (or HK\$1.20 per Consolidated ALT Share) represents:

- a discount of approximately 72.7% to HK\$0.044, being the closing price on 25 March 2004, being the last trading day of the Existing ALT Shares before the Suspension;
- a discount of approximately 74.2% to approximately HK\$0.0465, being the average closing price during the last 10 consecutive trading days up to and including 25 March 2004, being the last trading day of the Existing ALT Shares on the Stock Exchange before the Suspension;
- (iii) a discount of approximately 76.1% to approximately HK\$0.0502, being the average closing price of the Existing ALT Shares on the Stock Exchange during the last 30 consecutive trading days up to and including 25 March 2004, being the last trading day of the Existing ALT Shares before the Suspension; and
- (iv) a discount of approximately 79.7% to approximately HK\$0.0590, being the unaudited consolidated net asset value of the ALT Group per Existing ALT Share as at 30 June 2003.

The Subscription Note:

The Subscription Note in the principal amount of HK\$1,200 million to be issued by ALT to PPG.

The principal terms of the Subscription Note are summarised below:

Issuer:

ALT

Noteholder:

PPG

Principal amount:

HK\$1,200 million to be issued at its face value.

Maturity date and early redemption:

Unless previously converted, the outstanding principal amount of the Subscription Note (together with all unpaid and accrued interest) will be repaid by ALT upon its maturity on the Business Day immediately preceding the third anniversary of the date of its first issue. ALT or part (in the amount or integral multiple of HK\$1,200,000) of the outstanding principal amount of the Subscription Note is redeemable at any time at the election of ALT without penalty.

Coupon:

The Subscription Note will bear a coupon from its date of issue at the rate of 0.75% per annum, which will be payable on the maturity date on the principal amount of the Subscription Note outstanding from time to time or if redeemed or converted earlier, on the date of redemption or conversion on the redeemed or converted principal amount of the Subscription Note.

Conversion rights:

The outstanding principal amount of the Subscription Note or any part thereof may, at the discretion of the holder, be converted (in the amount of integral multiples of HK\$1,000,000) into new Existing ALT Shares or Consolidated ALT Shares to be issued to the holder of the Subscription Note (or as it may direct) at any time on or after the date of issue of the Subscription Note (or as it may direct) at the relevant conversion price which is initially HK\$0.012 per Existing ALT Share (or HK\$1.20 per Consolidated ALT Share), subject to adjustment.

No fraction of Existing ALT Shares or Consolidated ALT Shares will be issued on conversion nor will any cash payment be made to the holder of the Subscription Note in respect of such fraction.

Assuming that the entire principal amount of the Subscription Note is converted at its initial conversion price, a total of approximately 100,000 million new Existing ALT Shares (or 1,000 million new Consolidated ALT Shares) will be issued, representing (i) approximately 2,665.6% of the existing issued capital of ALT and (ii) approximately 92.7% of the existing issued share capital of ALT as enlarged by the issue of the Subscription Shares and the new Conversion Shares.

Ranking of the Consolidated ALT Shares to be issued upon conversion: The Existing ALT Shares (or the Consolidated ALT Shares) will be issued upon any exercise of the conversion rights under the Subscription Note will rank pari passu in all respects with all other Existing ALT Shares (or the Consolidated ALT Shares) in issue on the date of the conversion notice.

Conversion price: The initial conversion price of HK\$0.012 per Existing ALT Share (or HK\$1.20 per Consolidated ALT Share), subject to adjustment in accordance with the terms of the Subscription Note (e.g. for dilutive events such as ALT issuing Consolidated ALT Shares or other securities convertible into Consolidated ALT Shares, where such Consolidated ALT Shares are to be issued at less than 95% of the then market price), was determined after arm's length negotiations among the parties.

The initial conversion price of HK\$0.012 per Existing ALT Share (or HK\$1.20 per Consolidated ALT Share) represents:

- a discount of approximately 72.7% to HK\$0.044, the closing price of the Existing ALT Shares on the Stock Exchange on 25 March 2004, being the last trading day of the Existing ALT Shares on the Stock Exchange before the Suspension;
- a discount of approximately 74.2% to approximately HK\$0.0465, being the average closing price of the Existing ALT Shares on the Stock Exchange during the last 10 consecutive trading days of the Existing ALT Shares on the Stock Exchange up to and including 25 March 2004, being the last trading day of the Existing ALT Shares on the Stock Exchange before the Suspension;
- a discount of approximately 76.1% to approximately HK\$0.0502, being the average closing price of the Existing ALT Shares on the Stock Exchange during the period of 30 consecutive trading days up to and including 25 March 2004, being the last trading day of the Existing ALT Shares on the Stock Exchange before the Suspension; and
- a discount of approximately 79.7% to approximately HK\$0.0590, being the unadjusted consolidated net asset value of the ALT Group per Existing ALT Share as at 30 June 2003.

Voting: The holder of the Subscription Note will not be entitled to receive notice of, attend or vote at general meetings of ALT by reason only of its being a holder of the Subscription Note.

Transferability: The Subscription Note is not transferable without the prior written consent of ALT.

ALT has agreed that it will promptly notify the Stock Exchange upon ALT becoming aware of any dealings by or transfer of the Subscription Note to any connected persons (as defined in the Amended Listing Rules) of ALT.

Listing: No application has been or will be made for the listing of the Subscription Note on the Stock Exchange or any other stock exchange. Application will be made to the Stock Exchange for the listing of the Conversion Shares.

B. ALT BOARD'S VIEW AND NWD BOARD'S VIEW

The ALT Board (save for the independent non-executive directors of ALT) considers the issue price of the Subscription Shares and the conversion price of the Subscription Note, in the context of the Transactions as a whole, to be fair and reasonable so far as the interest of the ALT Shareholders is concerned. An independent board committee of ALT will be formed to advise the independent ALT Shareholders in respect of the Subscription Agreement. An independent financial adviser will be appointed to advise the independent board committee of ALT in respect of the Subscription Agreement.

The NWD Board (including the independent non-executive directors of NWD) considers the issue price of the Subscription Shares and the conversion price of the Subscription Note, in the context of the Transactions as a whole, to be fair and reasonable so far as the interest of the NWD Shareholders is concerned.

C. CONDITIONS PRECEDENT

Subscription Completion is subject to the following conditions precedent:-

- approval by the independent ALT Shareholders of the transactions contemplated under the Subscription Agreement including but not limited to (i) the issue and allotment of the Subscription Shares to PPG; (ii) the issue of the Subscription Note to PPG and the Conversion Shares; and (iii) the ALT Share Increase;
- a whitewash waiver having been obtained from the Executive pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code and having been approved by the independent ALT Shareholders at the EGM;
- all necessary sanctions and approvals (including the approval by the ALT Shareholders) being obtained for the ALT Distribution;
- the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares;
- completion of the legal and financial due diligence on the ALT Group to the reasonable satisfaction of PPG;
- the Consolidated ALT Shares or the Existing ALT Shares remaining listed on the Stock Exchange at all times prior to and on Subscription Completion and the listing of the Consolidated ALT Shares or the Existing ALT Shares not having been suspended for a consecutive period of more than three trading days (other than any suspension due to the clearance of the announcement in respect of the transactions contemplated under the Subscription Agreement and no indication being received on or before the date of the Subscription Completion from the Stock Exchange or the SFC to effect that such listing may be withdrawn or objected to for conditions will or may be attached thereto) including but not limited to as a result of Subscription Completion or in connection with the terms of the Subscription Agreement or for any other reason; and
- the obtaining of such other consent, approval, authorisation, permission, waiver or exemption which may be required from government or regulatory authorities or other third parties which are necessary or desirable in connection with the performance of the Subscription Agreement and any of the transactions contemplated under the Subscription Agreement.

If the conditions are not fulfilled or (in respect of the conditions (b), (c) and (f) above only) waived in writing by PPG on or before the Long Stop Date, the Subscription Agreement shall terminate at 11:59 p.m. on the Long Stop Date and neither party to the Subscription Agreement shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any prior breach of the Subscription Agreement).

PPG shall not waive the condition (b) above unless it shall have demonstrated to the satisfaction of the Executive that it has sufficient financial resources to fulfil its obligations under Rule 26 of the Takeovers Code (unless the Executive has in writing waived such a requirement). PPG has undertaken to ALT that it shall make offers for all the securities of ALT as required by the Takeovers Code and shall comply with its obligations thereunder in respect of such offers, if it waives the condition (b) above.

D. SUBSCRIPTION COMPLETION

Subscription Completion shall take place at 10:00 a.m. on the third Business Day after satisfaction or waiver (in respect of conditions (b), (c) and (f) above) by PPG.

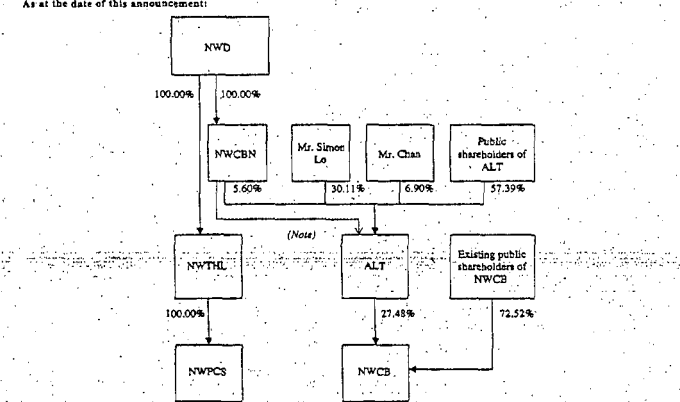
E. SHAREHOLDING AND GROUP STRUCTURES

Set out below is a table showing the shareholding structure of ALT (i) as at the date of this announcement; (ii) upon Subscription Completion (and take into account the effect of the ALT Share Consolidation) but before conversion of the Subscription Note and the ALT Convertible Note; (iii) after Subscription Completion (and take into account the effect of the ALT Share Consolidation and full conversion of the Subscription Note and the ALT Convertible Note) (assuming there is no other change in the shareholding structure of the issued share capital of ALT from the date of this announcement);

	As at the date of this announcement		Immediately after Subscription Completion (and take into account the effect of the ALT Share Consolidation) but before conversion of the Subscription Note and the ALT Convertible Note		After Subscription Completion (and take into account the effect of the ALT Share Consolidation) and full conversion of the Subscription Note but before the conversion of the ALT Convertible Note		After Subscription Completion (and take into account the effect of the ALT Share Consolidation) and full conversion of the Subscription Note and the ALT Convertible Note	
	No. of Existing ALT Shares	%	No. of Consolidated ALT Shares	%	No. of Consolidated ALT Shares	%	No. of Consolidated ALT Shares	%
The NWD Group	210,000,000	5.60	43,766,666	55.27	1,043,766,666	96.71	1,045,595,266*	96.73
Party presumed to be acting in concert with the NWD Group under the Takeovers Code:								
Mr. Simon Lo	1,129,758,000	30.11	11,297,580	14.27	11,297,580	1.05	11,297,580	1.04
Sub-total of the NWD Group and its presumed concert Parties	1,339,758,000	35.71	53,064,246	69.54	1,055,064,246	97.76	1,057,892,846	97.77
Mr. Chan	228,700,000	6.90	2,587,000	3.27	2,587,000	0.24	2,587,000	0.24
Public ALT Shareholders	2,153,097,700	57.39	21,530,977	27.19	21,530,977	2.00	21,530,977	1.99
Total	3,721,555,700	100.00	79,182,223	100.00	1,079,182,223	100.00	1,082,013,823	100.00

* the number of new Consolidated ALT Shares issued under the ALT Convertible Note are calculated based on the current conversion price (subject to adjustment) at HK\$0.10 per Existing ALT Share.

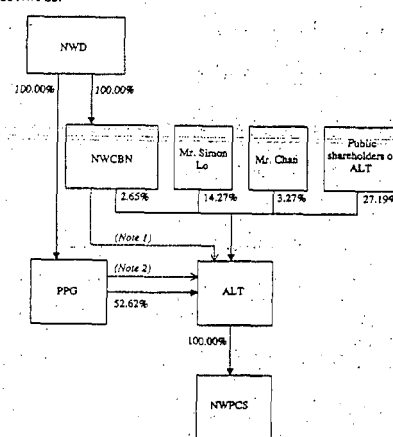
Set out below are the shareholding and group structures of NWD, ALT, NWPCS and NWCB as at the date of this announcement and, immediately after Completion but before conversion of the Subscription Note and the ALT Convertible Note.



Note: NWCBN, a wholly-owned subsidiary of NWD, is the holder of the ALT Convertible Note.

Immediately after Completion but before conversion of the Subscription Note and the ALT Convertible Note:

(i) Regarding ALT and NWPCS:

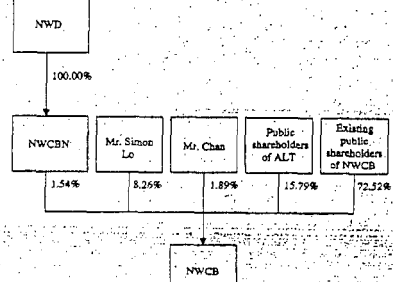


Notes:

1. NWCBN, a wholly-owned subsidiary of NWD, is the holder of the ALT Convertible Note.

2. PPG, a wholly-owned subsidiary of NWD, will be the holder of the Subscription Note.

(ii) Regarding NWCB:



3. ALT DISTRIBUTION, ALT CAPITAL REDUCTION, ALT SHARE INCREASE AND ALT SHARE CONSOLIDATION

A. ALT Distribution: ALT proposes, if Subscription Completion takes place, to effect the ALT Distribution which would involve a distribution in specie of all NWCB Shares held by ALT to all ALT Shareholders.

All the NWCB Shares held by ALT will be distributed to the ALT Shareholders whose names appear on the register of members of ALT on the Record Date (to be determined but in any event will be earlier than the Subscription Completion). The NWCB Shares will continue to be listed on the Stock Exchange.

ALT Shareholders, whose names appear on the register of members of ALT on the Record Date, will, if Subscription Completion takes place, receive:

FOR 10 CONSOLIDATED ALT SHARES (OR 1,000 EXISTING ALT SHARES) HELD 426 NWCB SHARES

Reasons for distribution in specie of NWCB Shares: The ALT Board is optimistic about the prospects of the mobile telecommunications market and considers that the Transactions will provide a solid ground for ALT to invest in mobile telecommunications projects. The ALT Board intends that the ALT Group be focused on the provision of supply chain and logistics related solutions and data services as well as mobile telecommunications. As such, the ALT Board considers that the distribution of ALT's entire interest in the NWCB Shares to all ALT Shareholders would (i) provide investors, research analysts and rating agencies with greater clarity on the business and financial position of ALT through segregation of NWCB's information technology businesses from its mobile telecommunications business (upon S&P Completion); and (ii) offer an opportunity for the ALT Shareholders to realise their investments in the NWCB Shares through direct holding of the NWCB Shares.

B. ALT Capital Reduction and ALT Share Increase:

For the reasons stated in greater detail below and to facilitate the ALT Distribution as described above and the issue of the Subscription Shares and the Conversion Shares (in the event that the conversion rights under any of the Subscription Note are exercised) and in any event to give ALT greater flexibility in making future dividend payments (if any), ALT Board also proposes to effect the ALT Capital Reduction and the ALT Share Increase, whereby (i) the entire amount standing to the credit of the share premium account of ALT (the audited share premium account being approximately HK\$449.9 million as at 31 December 2002) will be applied first to set off against the accumulated losses of ALT (the audited accumulated losses being approximately HK\$233.5 million as at 31 December 2002), and thereafter to effect the ALT Distribution and the balance (if any) to be applied as the ALT Board may consider appropriate, subject to compliance with the laws of the Cayman Islands, including the payment of future dividends to the ALT Shareholders (if any); and (ii) the existing authorised share capital of ALT will be increased from HK\$120,000,000 to HK\$2,000,000,000.00 by the creation of an additional 190,000 million Existing ALT Shares (or 1,900 million Consolidated ALT Shares).

Reasons for the ALT Capital Reduction: The ALT Board intends first to apply the amount standing to the credit of the share premium account of ALT to set off the accumulated losses of ALT. The latest annual report of the ALT as at 31 December 2002 showed that ALT had audited accumulated losses of approximately HK\$233.5 million. The ALT Board believes that it is unlikely that the ALT Group will generate sufficient profit from its existing operations in the immediate future to eliminate these accumulated losses and that it would be inappropriate for ALT to pay dividends while the losses remain. The ALT Board believes that it is unlikely that the ALT Group will generate sufficient profit from its existing operations in the immediate future to eliminate these accumulated losses and that it would be inappropriate for ALT to pay dividends while the losses remain. The ALT Board believes that it is unlikely that the ALT Group will generate sufficient profit from its existing operations in the immediate future to eliminate these accumulated losses and that it would be inappropriate for ALT to pay dividends while the losses remain. The ALT Board believes that it is unlikely that the ALT Group will generate sufficient profit from its existing operations in the immediate future to eliminate these accumulated losses and that it would be inappropriate for ALT to pay dividends while the losses remain.

C. ALT Share Consolidation: The ALT Board further proposes that, if Subscription Completion takes place, every 100 issued or unissued Existing ALT Shares of HK\$0.01 each will be consolidated into one Consolidated ALT Share of HK\$1.00 each. The Consolidated ALT Shares after the ALT Share Consolidation will rank pari passu in all respects with each other. Notwithstanding the implementation of the ALT Share Consolidation, all the Existing ALT Shares will continue to be effective as documents of title for the Consolidated ALT Shares.

Reasons for the ALT Share Consolidation: The ALT Board believes that the ALT Share Consolidation is beneficial to the ALT Group. For the ALT Shareholders, the transaction costs and the registration costs incurred by the ALT Shareholders for the same number of Existing ALT Shares after the implementation of the ALT Share Consolidation (having regard to the enlarged share capital base as a result of the Subscription Completion) might be lower.

D. Conditions of the ALT Capital Reduction, the ALT Share Increase and the ALT Share Consolidation: The ALT Capital Reduction, the ALT Share Increase and the ALT Share Consolidation will be conditional upon, among others:

- the passing of a special resolution by the ALT Shareholders approving the ALT Capital Reduction, the ALT Share Increase and the ALT Share Consolidation;
- the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Consolidated ALT Shares to be issued; and
- compliance by ALT with the requirements of the Company Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

ALT Shareholders should note that the ALT Distribution, the ALT Share Increase and the ALT Share Consolidation will become effective upon Subscription Completion. Since Subscription Completion is subject to the fulfilment of a number of conditions precedent, the ALT Distribution, the ALT Share Increase and the ALT Share Consolidation may or may not take place. However, the ALT Capital Reduction will become effective irrespective of whether the S&P Agreement or the Subscription Agreement is completed or not.

4. PROPOSED CHANGE OF NAME OF ALT

Immediately after the issue of the Subscription Shares and the Conversion Shares (if any) and before the exercise of any of the conversion rights under the Subscription Note and the ALT Convertible Note, the aggregate voting rights of the NWD Group in ALT (including the interest to be held by PPG) will increase from approximately 5.60% to approximately 55.27%. As such, PPG and its Concert Parties will have an obligation to make mandatory general offers for all the Existing ALT Shares or Consolidated ALT Shares, the ALT Convertible Note and the outstanding ALT Share Options other than those already owned or agreed to be subscribed by the PPG and its Concert Parties following Subscription Completion pursuant to Rule 26.1 of the Takeovers Code.

The proposed change of name of ALT is subject to:

- the passing of a special resolution on the change of name by the ALT Shareholders at the EGM;
- the Completion; and
- the approval of the new name by the Registrar of Companies in Cayman Islands.

The change of name of ALT will take effect from the date on which the Registrar of Companies in Cayman Islands enter the new name on the register in place of the existing name. Thereafter, ALT will comply with the necessary filing procedures in Hong Kong.

The proposed change of name of ALT will not affect any of the rights of the ALT Shareholders. All existing share certificates in issue bearing the existing name of ALT will, after the change of name, continue to be evidence of title to the Existing ALT Shares.

5. TAKEOVERS CODE IMPLICATIONS OF THE TRANSACTIONS

Immediately after the issue of the Subscription Shares and the Conversion Shares (if any) and before the exercise of any of the conversion rights under the Subscription Note and the ALT Convertible Note, the aggregate voting rights of the NWD Group in ALT (including the interest to be held by PPG) will increase from approximately 5.60% to approximately 55.27%. As such, PPG and its Concert Parties will have an obligation to make mandatory general offers for all the Existing ALT Shares or Consolidated ALT Shares, the ALT Convertible Note and the outstanding ALT Share Options other than those already owned or agreed to be subscribed by the PPG and its Concert Parties following Subscription Completion pursuant to Rule 26.1 of the Takeovers Code.

