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## **NEW WORLD MOBILE HOLDINGS LIMITED**

### **新世界移動控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 862)**

## **CONTINUING CONNECTED TRANSACTION**

Reference was made to the Joint Announcement wherein the Company announced that members of the Post-Completion NWD Group had entered into certain agreements with members of the NWPCS Group in respect of the Continuing Connected Transactions relating, inter alia, the licensing of cell sites.

After conducting a full review on all the existing licensing agreements for cell sites, the Company announces that other than the fifteen (15) cell sites disclosed in the Joint Announcement, five (5) Additional Sites were also licensed from the Post-Completion NWD Group prior to the date of the Joint Announcement. The licence fees for the Additional Sites for the Relevant Period amounted to approximately HK\$0.8 million. In addition, four (4) New Sites have been licensed from the Post-Completion NWD Group after the date of the Joint Announcement, which amounted to approximately HK\$0.3 million for the Relevant Period.

The Company also proposes that, after taking into account the Additional Sites, New Sites and any other sites to be licensed in future, the 2006 Cap Amount be increased to HK\$4.7 million and the 2007 Cap Amount be fixed at HK\$5.7 million.

Since each of the 2005 Aggregate Licence Fees, the increased 2006 Cap Amount and the 2007 Cap Amount is less than 25% of each of the applicable percentage ratios of the Company and is less than HK\$10 million, it is subject to announcement, reporting and annual review requirements, but is exempt from independent shareholders' approval requirements pursuant to the Listing Rules.

## **INTRODUCTION**

Reference was made to the joint announcement of New World Mobile Holdings Limited (formerly known as Asia Logistics Technologies Limited) (the "Company") and NWD dated 2 June 2004 ("Joint Announcement"). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Joint Announcement.

As disclosed in the Joint Announcement, members of the Post-Completion NWD Group had entered into certain agreements with members of the NWPCS Group in respect of the Continuing Connected Transactions relating, inter alia, the licensing of cell sites and the maximum aggregate annual value for the licensing of cell sites for two respective years ended 30 June 2005 and ending 30 June 2006 ("2006 Cap Amount") would be HK\$2.9 million.

## ADDITIONAL CELL SITES LICENCED FROM THE POST-COMPLETION NWD GROUP

After conducting a full review on all the existing cell sites, the Company announces that other than the fifteen (15) cell sites disclosed in the Joint Announcement, five (5) additional cell sites (“Additional Sites”) were also licensed from the Post-Completion NWD Group prior to the date of the Joint Announcement, which amounted to approximately HK\$0.8 million for the period from 1 July 2004 to 30 June 2005 (the “Relevant Period”). Details of the Additional Sites are as follows:

	Description	Agreement Date	Expiry Date	Licensor	Relationship of the Licensor with the NWD Group
1.	Licensing of cell sites at New World Centre, 20 Salisbury Road, Kowloon, Hong Kong (New World Centre East)	26/4/2004	28/2/2006	Hong Kong Island Development Ltd.	a wholly-owned subsidiary of NWD
2.	Licensing of cell sites at New World Centre, 18-24 Salisbury Road, Kowloon, Hong Kong (West & East Wing)	6/5/2004	31/3/2006	Hong Kong Island Development Ltd.	a wholly-owned subsidiary of NWD
3.	Licensing of cell sites at 2/F, 1 Chun Ming Road, Lantau Island, Chek Lap Kok Lot 1	1/7/2003	30/6/2005	New World Telecommunication Ltd.	a wholly-owned subsidiary of NWD
4.	Licensing of cell sites at Shop No. RBS02, Tuen Mun Pier, Hong Kong	4/12/2003	29/6/2005	New World First Ferry Services Ltd.	a jointly controlled entity held by a non-wholly owned subsidiary of NWD
5.	Licensing of cell sites at ATL Logistics Centre, Berth 3, Kwai Chung Container Terminal, Kwai Chung, New Territories	5/9/2001 / 19/10/2004	31/8/2007	ATL Logistics Centre Hong Kong Ltd.	a jointly controlled entity held by a non-wholly owned subsidiary of NWD

None of the licence agreement for the Additional Sites is for the term of more than 3 years.

## NEW CELL SITES LICENCED FROM THE POST-COMPLETION NWD GROUP

In addition, the Company has entered into four (4) new licence agreements for the cell sites (“New Sites”) with the Post-Completion NWD Group after the date of the Joint Announcement, which amounted to approximately HK\$0.3 million for the Relevant Period. Details of the New Sites are as follows:

	Description	Agreement Date	Expiry Date	Licensor	Relationship of the Licensor with the NWD Group
1.	Licensing of cell sites at Hong Kong Dragon Cruise Pier, Expo Drive East, Wanchai, Hong Kong	28/6/2004 / 10/8/2005	30/6/2007	New World First Travel Services Ltd.	a jointly controlled entity held by a non-wholly owned subsidiary of NWD
2.	Licensing of cell sites at The Amazon, 12 Salisbury Road, Kowloon, Hong Kong	23/6/2004	31/7/2006	Hong Kong Island Development Ltd.	a wholly-owned subsidiary of NWD
3.	Licensing of cell sites at Roof Area of Control Room, Avenue of Star, Kowloon, Hong Kong	29/7/2004	31/7/2006	Hong Kong Island Development Ltd.	a wholly-owned subsidiary of NWD
4.	Licensing of cell sites at New World Renaissance Hotel & New World Sauna, 22 Salisbury Road, Kowloon, Hong Kong	26/5/2005	31/12/2005	New World Hotel Company Limited	a 64% owned subsidiary of NWD

## THE 2005 AGGREGATE LICENCE FEES, 2006 CAP AMOUNT AND 2007 CAP AMOUNT

The licence fees for the fifteen (15) cell sites disclosed in the Joint Announcement for the Relevant Period amounted to approximately HK\$2.6 million and the aggregate licence fees for all cell sites (including the Additional Sites, New Sites and those disclosed in the Joint Announcement) licensed from the Post-Completion NWD Group for the Relevant Period (“2005 Aggregate Licence Fees”) amounted to approximately HK\$3.7 million.

Having clarified with the Listing Division of the Stock Exchange, we are advised that since the agreements were entered into with the same group and related to the same nature of services, the Additional Sites and New Sites should be aggregated with those announced in the Joint Announcement pursuant to Rule 14A.25 of the Listing Rules notwithstanding their annual licence fees, on individual basis, were less than the de minimis threshold set out in Rule 14A.33 of the Listing Rules. We are also advised that the non-disclosure of the Additional Sites and New Sites at the time when they were entered into constitutes a breach of the Listing Rules and the Stock Exchange reserves the right to take any action against the Company.

In view of the general increase in rental and licence fees in Hong Kong and the intention of the Company to continuously enhance the geographical coverage of the mobile network of NWPCS Group, it is expected that the number as well as the value of the cell sites will increase in the ensuing years. As such, the Company proposes that, after taking into account the Additional Sites, New Sites and any other sites that may be licensed in future, the 2006 Cap Amount be increased to HK\$4.7 million and the annual cap for the year ending 30 June 2007 ("2007 Cap Amount") be fixed at HK\$5.7 million. The licence fees for the cell sites licensed from the Post-Completion NWD Group are as follows:

<b>2005 Aggregate Licence Fees</b>	<b>Licence Fee for the month of July 2005</b>	<b>2006 Cap Amount</b>	<b>2007 Cap Amount</b>
HK\$3.7 million	HK\$0.3 million	HK\$4.7 million	HK\$5.7 million

The licence fees are determined with reference to market rates and based on, among other factors, the locations of cell sites, total areas occupied, facilities provided and availability of alternative sites.

## **REASON FOR THE TRANSACTION**

In order to provide geographical coverage of mobile services throughout Hong Kong, NWPCS Group will from time to time license from third parties, including the Post-Completion NWD Group, 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 increase in cell sites will enhance the mobile communications network as well as the quality of services provided by the NWPCS Group.

The directors of the Company (including the independent non-executive directors) consider that the transaction is on normal commercial terms and on terms no less favourable to the Company than terms available from independent third parties, which is entered into in the ordinary and usual course of business of the Company. They are also of the view that the proposed increase in the 2006 Cap Amount and the fixing of the 2007 Cap Amount are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **CONTINUING CONNECTED TRANSACTION**

Immediately upon the Completion on 6 July 2004, NWD, the holding company of the Post-Completion NWD Group, became the controlling shareholder of the Company and is currently holding approximately 72.41% of the issued share capital of the Company which in turn holds 100% of the NWPCS Group. As such, the entering into of the transaction between the Post-Completion NWD Group and the NWPCS Group constitutes a continuing connected transaction for the Company under the Listing Rules.

As each of the 2005 Aggregate Licence Fees, the increased 2006 Cap Amount and the 2007 Cap Amount is less than 25% of each of the applicable percentage ratios of the Company and is less than HK\$10 million, it is subject to announcement, reporting and annual review requirements, but is exempt from independent shareholders' approval requirements pursuant to the Listing Rules.

## **INFORMATION ON THE COMPANY**

The Company is principally engaged in offering superior mobile services including voice service and customized data services tailored to the specific needs of individual customer groups via advanced mobile technology.

## INFORMATION ON NWD

NWD is principally engaged in property development, property investments, hotel and infrastructure investments, services, telecommunications and technology business, primarily in Hong Kong and the PRC.

By Order of the Board  
**Ho Pui Sin**  
Company Secretary

Hong Kong, 6 September 2005

*As at the date of this announcement, the board of directors of the Company comprises (i) five executive directors namely Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, JP, Mr. Chow Yu Chun, Alexander, Mr. To Hin Tsun, Gerald and Dr. Wai Fung Man, Norman; (ii) two non-executive directors namely Mr. Ho Hau Chong, Norman and Mr. Lo Lin Shing, Simon; and (iii) three independent non-executive directors namely Mr. Hui Chiu Chung, JP, Mr. Kwong Che Keung, Gordon and Mr. Wei Chi Kuan, Kenny.*

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