

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of Fortune Tele.com Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



Fortune Tele.com Holdings Limited

長遠電信網絡集團有限公司

(incorporated in Bermuda with limited liability)

Announcement

The Board of the Company is pleased to announce that the Company entered into a US\$12,000,000 transferable term loan facility agreement on 22 December, 2000. The Board expects to draw down the full amount under the Loan Agreement for the working capital of the Company and its subsidiaries on or before 29 December, 2000. The Board considers that the Loan Agreement is an information that is necessary to be disclosed by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The board of directors (the “Board”) of Fortune Tele.com Holdings Limited (the “Company”) is pleased to announce that the Company entered into a US\$12,000,000 transferable term loan facility agreement (the “Loan Agreement”) on 22 December, 2000.

The Loan Agreement was dated 22 December, 2000 and made between:—

- (1) the Company;
- (2) Fleet National Bank (the “Arranger”);
- (3) Financial institutions comprising Fleet National Bank, CITIC Ka Wah Bank Limited and LG Investment & Securities (H.K.) Ltd as lenders (the “Original Lenders”); and

(4) The Hongkong and Shanghai Banking Corporation Limited as agent of the Lenders (the “Agent”).

The terms of the US\$12,000,000 transferable term loan facility (the “Loan Facility”) under the Loan Agreement are summarised as follows:—

- (1) the purpose of the Loan Facility is for the general working capital requirement of the Company and its subsidiaries (the “Group”);
- (2) interest rate is at the London Inter-bank Offered Rate (the “LIBOR”) plus 2.25 per cent per annum;
- (3) drawdown date should be 29 December, 2000;
- (4) the Loan Facility will be repaid in whole not later than at 30 December, 2002;
- (5) the interest will be paid for every six-months period; and
- (6) the Loan Facility is transferable which means that the Original Lenders may assign any of its rights; or transfer by novation any of its rights and obligations (but not its commitment), to any other person (other than a natural person and the Borrower).

The Board proposes to use the Loan Facility to satisfy (i) the increasing working capital requirement for expansion of the operations of the Group; and (ii) the anticipated general working capital requirement as a result of a proposed change of the place of delivery of mobile phone products from Hong Kong to Mainland China of one of the Group’s major suppliers, Nokia, which may result in the Group to be required to settle a significant part of its purchase by way of cash upon delivery. On this basis, the Board anticipates a need to increase the working capital of the Group.

The Board hereby confirms that none of the business objectives of the Group and the proposed use of proceeds from the offering of the shares of the Company as stated in its prospectus dated 9 February, 2000 has been changed as a result of the arrangement disclosed herein.

The Board also considers that the Loan Agreement constitutes an information that is necessary to be disclosed by the Company pursuant to the general disclosure obligation under Rule 17.10 of the GEM Listing Rules in order to enable members of the public to appraise the position of the Group. The Board also confirms that, save as disclosed herein, there is no other information that needs to be disclosed by the Company under the GEM Listing Rules.

By Order of the Board
Fortune Tele.com Holdings Limited
Martin Ng
Company Secretary

Hong Kong 27th December 2000

This announcement will remain on the Company's website at www.fortunetele.com and on the GEM website with the domain name www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting.