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*This announcement, for which the directors (the “Directors”) of Fortune Telecom Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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 TELECOM 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 HK\$160,000,000 2-years transferable loan facility agreement with a syndicate of banks and financial institutions arranged by Bank of China (Hong Kong) Limited and Citic Ka Wah Bank Limited in Hong Kong on 18th September 2002. Proceeds of above loan facility are expected to be used as to approximately HK\$93.6 million to repay existing syndicated loans of the Company and as to the balance of approximately HK\$66.4 million for development of distribution network and for additional working capital to finance the Group’s existing mobile phone trading business in the PRC.

The Board considers that the Loan Agreement constitutes 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 Telecom Holdings Limited (the “Company”) is pleased to announce that the Company entered into a HK\$160,000,000 2-years transferable loan facility agreement (the “Loan Agreement”) on 18th September 2002.

The Loan Agreement was made between:

- (1) the Company;
- (2) Bank of China (Hong Kong) Limited and Citic Ka Wah Bank Limited (the “Arrangers”);
- (3) Financial institutions comprising the Arrangers, Bangkok Bank Public Company Limited, Wing Hang Bank Limited, Maybank, Banca Monte dei Paschi di Siena S.p.A., ORIX International Finance Limited and KBC Bank N.V. as lenders (the “Lenders”); and
- (4) Citic Ka Wah Bank Limited as agent of the Lenders.

The principal terms of the HK\$160 million 2-years transferable loan facility (the “Loan Facility”) under the Loan Agreement are summarized as follows:–

- (1) the purpose of the Loan Facility is to refinance the existing USD 12 million syndicated loan of the Company, expenditure requirements in relation to the expansion of the Group’s distribution network in the PRC and for the general working capital requirement of the Group;
- (2) interest rate is set as the applicable Hong Kong Inter-bank Offered Rate plus 1.8 per cent per annum;
- (3) the entire Loan Facility to be drawn within two months from 18th September, 2002;
- (4) the Loan Facility will be repaid as follows :

<b>Repayment Date</b>	<b>Percentage (%)</b>
12 months after the date of this Agreement	5%
15 months after the date of this Agreement	5%
18 months after the date of this Agreement	5%
21 months after the date of this Agreement	5%
24 months after the date of this Agreement	80%
Total:	<u>100%</u>

- (5) the interest will be paid for every one month, two months or three months period at the option of the Company; and
- (6) the Loan Facility is transferable which means that a Lender may transfer any of its rights and obligations under the Loan Agreement to any bank or financial institution subject to the terms and conditions contained in the Loan Agreement.

Proceeds of Loan Facility are expected to be used as to approximately HK\$93.6 million to repay existing syndicated loan of the Company and as to the balance of approximately HK\$66.4 million for expenditure on development of distribution network in the PRC and additional working capital to finance the Group's existing mobile phone trading business in the PRC. For the past two years, the Group's sales has increased from HK\$1,545 million for the year ended 31 March 2001 to HK\$3,461 million for the year ended 31 March 2002. To prepare for further increase in business volume, the Directors believe there is a need to further increase its banking facilities to cater for the Group's additional working capital needs.

At 30th June 2002, the Group's consolidated capital and reserves amount to HK\$288,575,000 and the Group does not have long term debt. If the Loan Facility is fully drawn, the gearing ratio of the Group, calculated as non-current liabilities to shareholder's fund, is approximately 0.55.

The Board also considers that the Loan Agreement constitutes 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 Telecom Holdings Limited**  
**Tin Ding Hong, William**  
*Company Secretary*

Hong Kong, 18th September 2002

*This announcement will remain on the Company's website with the domain name of [www.fortunetele.com](http://www.fortunetele.com) and on the GEM website with the domain name of [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

*\* For identification only*