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FORTUNE TELECOM HOLDINGS LIMITED

長遠電信網絡集團有限公司*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

PROPOSED LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF INTRODUCTION

PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Directors would like to announce that the Company plans to list the Shares on the Main Board by way of introduction. An advance booking form for the Proposed Listing was submitted to the Stock Exchange on 9 December 2002. The Directors also informed the Stock Exchange of their intention to implement the Proposed Withdrawal that will be conditional upon, among other things, the approval by the Shareholders and the approval by the Stock Exchange of the application for the Proposed Listing.

The Proposed Listing and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

INTRODUCTION

The Directors would like to announce that South China Capital and Watterson Asia, acting as the sponsor and the co-sponsor, respectively, to the Proposed Listing, submitted an advance booking form on 9 December 2002 to the Stock Exchange for the Proposed Listing. The Directors also informed the Stock Exchange of their intention to implement the Proposed Withdrawal. Nevertheless, the Directors would like to emphasize that both the Proposed Listing and the Proposed Withdrawal are at a preliminary stage and that an accurate timetable for the Proposed Listing and the Proposed Withdrawal has yet to be finalized.

REASONS FOR THE PROPOSED LISTING

Since the listing of the Company on GEM in February 2000, the business of the Group has been growing rapidly, with sales of approximately HK\$1,380 million for the financial year ended 31 March 2000 to approximately HK\$3,461 million for the financial year ended 31 March 2002. The track record of the Group for the three financial years ended 31 March, 2002 already met the minimum profit requirement stipulated in the Listing Rules. With the anticipated continuous economic development in the PRC and the fact that the PRC mobile phone market is currently one of the largest markets in the world, the Directors believe that the business of the Group will continue to grow, and this will invariably require the Company to have access to additional working capital. The Directors are of the view that a listing on the Main Board will increase the profile of the Group, resulting in more research coverage from leading industry analysts that will lead to more trading liquidity of the Shares, all of these will enable the Group to have easier access to equity capital markets that will benefit the Group's future business development.

The Proposed Listing will not affect the business objectives of the Group. The Group will continue to pursue its current business of being a distributor and a service provider of mobile phones and wireless communications equipment in People's Republic of China and Hong Kong.

CONDITIONS OF THE PROPOSED WITHDRAWAL

If the Company proceeds with the Proposed Listing, the Proposed Withdrawal will be conditional upon, among other things:

- (i) the passing of an ordinary resolution by the Shareholders at the Special General Meeting;
- (ii) the publication of a notice of the Proposed Withdrawal as required by GEM Listing Rules following obtaining the approval of the Shareholders at the Special General Meeting; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares and any Shares which may be described in the listing document to be issued by the Company for the Proposed Listing on the Main Board.

In this regard, if the Company proceeds with the Proposed Listing, the Special General Meeting will be convened at an appropriate time to seek the approval of the Shareholders on the Proposed Withdrawal.

Warning:

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Listing. Shareholders and potential investors should be aware that the implementation of the Proposed Listing and the Proposed Withdrawal are subject to certain conditions to be fulfilled and thus may or may not become effective. **Accordingly, the Proposed Listing and the Proposed Withdrawal may or may not proceed. Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.**

GENERAL INFORMATION

If the Company proceeds with the Proposed Listing, a circular containing, among other things, further details of the Proposed Listing and the Proposed Withdrawal, the expected timetable and a notice convening the Special General Meeting will be despatched to the Shareholders as soon as practicable. A listing document in relation to the Proposed Listing will also be despatched to the Shareholders for their information following the receipt from the Listing Committee of the Stock Exchange a preliminary indication of the approval for the Proposed Listing. In this regard, the Company will submit an application for a waiver from strict compliance with the minimum three-month notice period for the Proposed Withdrawal as required under Rule 9.19(3) of the GEM Listing Rules.

The Company will make further announcements to keep the Shareholders informed on the latest progress of the Proposed Listing and the Proposed Withdrawal.

DEFINITIONS

Unless the context requires otherwise, the use of capitalized terms here shall have the following meanings:

“Company”	Fortune Telecom Holdings Limited, an exempted company incorporated in Bermuda on 22 October, 1999 with limited liability;
“Director(s)”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM;

“Proposed Listing”	the proposed listing of the Shares on the Main Board by way of introduction pursuant to Chapter 7 of the Listing Rules;
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing status of the Shares on GEM;
“Shareholder(s)”	registered holder(s) of Shares;
“Share(s)”	ordinary share(s) of \$0.10 each in the share capital of the Company;
“South China Capital”	South China Capital Limited, an investment adviser registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong), acting as the sponsor to the Proposed Listing;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Special General Meeting”	a special general meeting of the Company to be convened to approve the Proposed Withdrawal; and
“Watterson Asia”	Watterson Asia Limited, an investment adviser and dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong), acting as the co-sponsor to the Proposed Listing.

By order of the Board
FORTUNE TELECOM HOLDINGS LIMITED
LAU SIU YING, STEVE
Chairman

Hong Kong, 9 December 2002

This announcement, for which the Directors 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the day of its posting and the website of the Company at <http://www.fortunetele.com>.

* *For identification purpose only*