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This announcement, for which the Directors collectively and individually accept 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.

ANGELS

ANGELS TRANSPORT TECHNOLOGY COMPANY LIMITED

英君交通系統技術有限公司

(Incorporated in the Cayman Islands with limited liability)

DISCLOSEABLE TRANSACTION

ACQUISITION OF EQUITY INTEREST IN CTIA VSAT NETWORK LIMITED

The Directors would like to announce that the Company entered into the Agreement with Excellent on 11 April, 2002 to acquire 40 per cent. equity interest in CTIA and the benefits and rights attached to, accrued or accruing on, the Shareholder's Loan for an aggregate consideration of approximately HK\$14.4 million. CTIA is an investment holding company and its principal asset is the holding of 60 per cent. equity interest in APECN.

APECN is principally engaged in the research and development of satellite communication technology solutions, the provision of the related consultancy and technical support services and system integration services, which the Directors believe to have synergistic benefits to the business of the Group. Following Completion, CTIA will be owned as to 40 per cent. by the Company and will become an associated company of the Company.

The Total Consideration of HK\$14.4 million comprises:–

- (a) HK\$6,912,000 for acquiring 40 per cent. equity interest in CTIA; and
- (b) HK\$7,488,000 for acquiring the benefits and rights attached to, accrued or accruing on, the Shareholder's Loan.

On Completion, the Total Consideration will be satisfied by the issue and allotment of 12,000,000 Consideration Shares at HK\$1.2 each. The Consideration Shares represent approximately 6.67 per cent. of the existing issued share capital of the Company and 6.25 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

As the Total Consideration represents more than 15 per cent. but less than 50 per cent. of the Company's consolidated net tangible asset value, the Acquisition constitutes a discloseable transaction (as defined under the GEM Listing Rules) for the Company. A circular containing, among other things, details of the Acquisition will be dispatched to shareholders of the Company within 21 days from the date of this announcement.

The Directors confirm that the Acquisition is consistent with the business objectives of the Group as stated in the prospectus of the Company dated 22 August, 2001 and that the Acquisition will not result in any material change in the nature of business of the Group following Completion.

THE AGREEMENT

Parties to the Agreement

Purchaser : the Company;

Vendor : Excellent, being the existing shareholder of CTIA holding 60 per cent. equity interest in CTIA. Excellent is ultimately and beneficially wholly-owned by Mr. Mai Binghui; and

Warrantor: Mr. Mai Binghui, the beneficial owner of Excellent and an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, subject to the satisfaction of the conditions therein contained, the Company will acquire from Excellent 2,000,000 shares in CTIA, representing 40 per cent. of the issued share capital of CTIA and the benefits and rights attached to, accrued or accruing on, the Shareholder's Loan. Upon Completion, CTIA will be owned as to 40 per cent. by the Company and will become an associated company of the Company.

Consideration

The Total Consideration of HK\$14.4 million comprises the following:–

- (a) HK\$6,912,000 for acquiring 40 per cent. equity interest in CTIA (the "Share Consideration"); and
- (b) HK\$7,488,000 for acquiring the benefits and rights attached to, accrued or accruing on the Shareholder's Loan (the "Loan Consideration"), representing 40 per cent. of the loan owed by CTIA to Excellent.

The Directors confirm that the Total Consideration was arrived at after arm's length negotiations between Excellent and the Company. The Directors (including the independent non-executive Directors) consider that the Total Consideration is fair and reasonable and the Acquisition is in the interest of the Group.

The Share Consideration has been determined with reference to the net asset value of the CTIA Group as at 31 December, 2001 and the potential benefits of the CTIA Group that will bring to the Group following Completion. The Share Consideration represents approximately 3.8 times of the unaudited consolidated net asset value of CTIA as at 31 December, 2001 attributable to the percentage of equity interest to be acquired by the Group of approximately HK\$1.76 million. The Share Consideration has also been arrived at after arm's length negotiations by reference to the trading performance of a listed company (the "Comparable") in Hong Kong which is principally engaged in investment in and operation of satellites for commercial services which are similar to those of APECN. Based on its market capitalisation as at 11 April, 2002, the Comparable was traded at a premium of 2.08 times over its net asset value. The Directors believe that the excess premium represented by the Share Consideration represents the potential benefits of the CTIA Group that will bring to the Group following Completion, particulars of which are set forth under "Reasons for the Acquisition" below. On this basis, the Directors consider that the Share Consideration is fair and reasonable.

The Loan Consideration has been determined with reference to the amount of the Shareholder's Loan as at the date of the Agreement of approximately HK\$7,488,000. The Shareholder's Loan is interest free, unsecured and non-convertible. Save for the Shareholder's Loan, there is no financial commitments or obligations undertaken by the Company to CTIA.

Payment terms

The Total Consideration is to be satisfied by the issue and allotment of 12,000,000 Consideration Shares at HK\$1.2 each.

The issue price of the Consideration Shares represents a discount of approximately 10.45 per cent. to the closing price of HK\$1.34 per Share as quoted on GEM on 11 April, 2002, being the last trading day prior to the publication of this announcement, and a discount of approximately 8.40 per cent. to the average closing price of HK\$1.31 per Share as quoted on GEM over the last ten trading days up to and including 11 April, 2002.

The Consideration Shares represent approximately 6.67 per cent. of the existing issued share capital of the Company and approximately 6.25 per cent. of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Consideration Shares upon issue and allotment will rank *pari passu* in all respects with the existing Shares in issue including the rights to participate in all dividends declared or proposed to be declared or paid by the Company on or after the date of their allotment.

The Consideration Shares will be issued and allotted pursuant to the general mandate granted by the shareholders of the Company to the Directors in the annual general meeting of the Company held on 16 August, 2001.

Application will be made to the GEM Listing Committee for granting or agreeing to grant the listing of, and permission to deal in the Consideration Shares.

Guarantee

Excellent and its ultimate owner have, jointly and severally, warranted to the Company that the audited net asset value of the CTIA Group as at 31 December, 2002 shall be no less than the audited net asset value of the CTIA Group as at 31 December, 2001 and each of Excellent and its ultimate owner has undertaken to indemnify the Company in cash a sum equal to 40 per cent. of any shortfall between the two amounts, which will be payable upon the Company's demand. An announcement will be made by the Company in the event of any shortfall.

Completion

Pursuant to the Agreement, Completion is conditional upon, among other things, the following:–

- the Stock Exchange granting the approval for the listing of, and permission to deal in the Consideration Shares on GEM;
- the warranties, representations and undertakings set out in the Agreement remaining true and complete in all material respects on and as of the Completion date so that no breach or breaches, if any, of the warranties, representations and undertakings could have a material adverse effect to the business or financial condition of the CTIA Group when compared with the case where no such breach or breaches have occurred;
- there being no change to the trading, operations, financial position of the CTIA Group taken as a whole between the date of the Agreement and the date of Completion;
- the obtaining by the parties thereto of all necessary consents, approvals, authorization, waiver, order or exemption required for or appropriate to the sale and purchase of the shares in CTIA and other transactions pursuant to the Agreement and the performance of the parties' respective obligations under the Agreement;
- the assignment of the Shareholder's Loan from Excellent to the Company; and
- completion of the acquisition of the remaining 1,000,000 issued and paid up shares of CTIA (registered in the name of and beneficially owned by Excellent) by APT Satellite Company Limited, an Independent Third Party, occurring simultaneously with the Completion.

If any of these conditions are not satisfied on or before 30 September, 2002 or such later date as agreed by the parties in writing, the rights and obligations of the parties thereto will lapse and the Agreement shall terminate and be of no further effect, in which event the parties thereto shall be released from all their obligations thereunder without liability save for any liability for antecedent breach of any obligations.

Completion is expected to take place within seven days from the date on which the conditions set out in the Agreement (except for the last condition stated above) have been satisfied or waived by the Company.

INFORMATION ON CTIA AND APECN

CTIA is an Independent Third Party and a company incorporated in Hong Kong with limited liability on 11 May, 1995. CTIA is currently owned as to 60 per cent. by Excellent, a company beneficially owned by Mr. Mai Binghui, and 40 per cent. by APT Satellite Company Limited, a wholly-owned subsidiary of APT Satellite Holdings Limited, a company listed on the Stock Exchange. Both Excellent, Mr. Mai Binghui, APT Satellite Company Limited and APT Satellite Holdings Limited are Independent Third Parties. Following Completion, CTIA will be owned as to 40 per cent. by the Company and will be an associated company of the Company. The Company will nominate one director to the board of directors of CTIA and has no intention to nominate any person to the board of directors of APECN at this stage. Upon Completion, the board of directors of CTIA will have a total of three directors.

CTIA is an investment holding company and its principal asset is the holding of 60 per cent. equity interest in APECN. APECN is a foreign wholly owned enterprise established in the PRC on 14 June, 1999 with a registered share capital of US\$4,000,000. APECN is currently owned as to 60 per cent. by CTIA, 35 per cent. by 中投創業投資有限公司 (China Investment and Entrepreneur Ltd.) and 5 per cent. by Mmfi-capi Apec Net Holding Ltd., all of their respective beneficial owners are Independent Third Parties. APECN is principally engaged in the research and development of satellite communication technology solutions, the provision of the related consultancy and technical support services and system integration services. Pursuant to the applicable PRC law and regulations, the business currently conducted by APECN is allowed to be beneficially owned by foreign entities. The major assets of APECN include antennae and other satellite station related communication equipment and investment in a jointly controlled company in the PRC for provision of telecommunication services.

Based on the unaudited consolidated financial statements of CTIA, which were prepared in accordance with accounting principles generally accepted in Hong Kong, the unaudited consolidated net asset value of CTIA as at 31 December, 2001 was approximately HK\$ 4.39 million. The consolidated results of CTIA for the years ended 31 December, 2000 and 2001 were as follow:—

<i>(HK\$'000)</i>	(Unaudited) 2001	(Audited) 2000
Turnover	<u>1,170</u>	<u>1,379</u>
Loss before and after taxation and minority interest	<u>(3,176)</u>	<u>(226)</u>

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of transportation technology solutions in respect of toll collection, traffic surveillance, optical fibre road network communication and power supply systems for highways and expressways in the PRC. The Directors consider that following Completion, the Group will be able to leverage on APECN's satellite communication technology and related solutions to develop road communication network and one card pass electronic toll collection system for its expressway networks in Yunnan province, the PRC. This in turn is expected to expedite the Group's long term growth. In order to facilitate the development of APECN's satellite communication technology and solutions, the Directors have agreed to finance APECN by acquiring the Shareholder's Loan.

The Directors confirm that the Acquisition is consistent with the business objectives of the Group regarding the development of one card pass electronic toll collection system for its expressway networks in Yunnan province, the PRC as stated in the prospectus of the Company dated 22 August, 2001 and that the Acquisition will not result in any material change in the nature of business of the Group following Completion.

GENERAL INFORMATION

As the Total Consideration represents more than 15 per cent. but less than 50 per cent. of the Company's consolidated net tangible asset value, the Acquisition constitutes a discloseable transaction (as defined under the GEM Listing Rules) for the Company. A circular containing, among other things, details of the Agreement will be dispatched to shareholders of the Company within 21 days from the date of this announcement.

DEFINITIONS

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

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| “APECN” | Beijing Asia Pacific East Communication Network Limited, a foreign wholly-owned enterprise incorporated in the PRC and a company owned as to 60 per cent. by CTIA, 35 per cent. by 中投創業投資有限公司 (China Investment and Entrepreneur Ltd.) and 5 per cent. by Mmfi-capi Apec Net Holding Ltd., all of their respective beneficial owners are Independent Third Parties; |
| “Acquisition” | the acquisition of (i) 2,000,000 shares in the issued share capital of CTIA, representing 40 per cent. of the issued share capital of CTIA, and (ii) the benefits and rights attached to, accrued or accruing on, the Shareholder's Loan; |

“Agreement”	the conditional sale and purchase agreement dated 11 April, 2002 entered into between the Company, Excellent and Mr. Mai Binghui (as warrantor) in relation to the Acquisition;
“associate”	has the meaning as defined in the GEM Listing Rules;
“Company”	Angels Transport Technology Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM;
“Completion”	completion of the Acquisition pursuant to the terms of the Agreement, which is expected to take place within seven days from the date on which the conditions set out in the Agreement (except for the last condition stated in this announcement) shall have been satisfied or waived by the Company;
“Consideration Shares”	12,000,000 new Shares to be issued and allotted at HK\$1.2 per Share pursuant to the Agreement in satisfaction of the Consideration for the Acquisition;
“CTIA”	CTIA VSAT Network Limited, a company incorporated in Hong Kong and currently owned as to 60 per cent. by Excellent and 40 per cent. by APT Satellite Company Limited;
“CTIA Group”	CTIA and its subsidiaries;
“Directors”	directors of the Company;
“Excellent”	Excellent Idea Group Limited, a company incorporated in the British Virgin Islands and ultimately and beneficially wholly-owned by Mr. Mai Binghui, both of Excellent and Mr. Mai Binghui are Independent Third Parties;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party”	a third party that is independent of, and not connected with, the Company, any of the Directors, chief executive, substantial shareholders (as defined in the GEM Listing Rules) or management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company;
“Shareholder’s Loan”	The loan amount of US\$960,000 (equivalent to HK\$7,488,000 representing 40 per cent. of the loan owed by CTIA to Excellent;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Total Consideration”	HK\$14.4 million, being the consideration of the Acquisition under the Agreement.

In this announcement, the translation between US\$ and HK\$ is based on the exchange rate US\$1 = HK\$7.8.

By order of the Board
Angels Transport Technology Company Limited
Daniel X.D. Yan
Chairman

Hong Kong, 11 April, 2002

This announcement will remain on the GEM website with the domain name www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.