FINANCIAL RESULTS

For the year ended 31 December 2003, the Group recorded a turnover of approximately HK$8 million (2002: HK$18.5 million), representing a decrease of 56.76% over previous year's figure. The decrease was mainly due to the deemed disposal of a subsidiary, business underperformance as a result of the outbreak of the Severe Acute Respiratory Syndrome ("SARS") during the reporting period and the business re-positioning of the Group in connection with the logistics services. Loss attributable to shareholders was approximately HK$153 million (2002: HK$89 million). The unfavorable results of the Group were mainly attributable to the deteriorating profitability and the impairment of goodwill of the Group's logistics service business and the share of losses from associated companies.

FINANCIAL POSITION

During the year, the Group has made no material acquisition or disposal of subsidiaries or associated companies.

As at 31 December 2003, cash and bank balances for the Group amounted to approximately HK$25.9 million (2002: HK$37.7 million). The Group had no bank borrowings as at 31 December 2003 (2002: nil). The Group had an outstanding convertible bonds with the principal amount outstanding as at 31 December 2003 at approximately HK$28.3 million, following the conversion by the bondholder of a principal amount of HK$11 million into 110,000,000 new shares of HK$0.01 each of the Company on 5 December 2003. The convertible bonds are denominated in Hong Kong dollars and bears a fixed annual interest rate of 3% repayable on 1 November 2004 (the "Maturity"). Both the Company and the convertible bond holder have indicated in writing their intentions to extend the Maturity of the convertible bonds to 1 November 2007. The gearing ratio of the Group as at 31 December 2003, dividing the outstanding amount of convertible bonds and non-current finance lease payables by shareholders' equity, was 0.261 (2002: 0.158).

The Group has exercised stringent control on all cost items during the year under review and has taken stiff measures in rationalizing the use of resources of the Group. The Group's administrative expenses has been reduced by 40.11% to approximately HK$24.26 million from approximately HK$40.51 million reported in 2002. The number of employees has also been brought down to only 85 as at 31 December 2003 from over 280 as at 31 December 2002. To further strengthen the financial position of the Group, the Directors have determined that the stringent control on cost items shall be a long term corporate policy of the Group.

The Group's monetary assets and liabilities were principally denominated in Hong Kong dollars and Renminbi. During the year under review, there has been minimal fluctuation in exchange rate between Hong Kong dollar and Renminbi and accordingly, the Group's exposure to currency exchange risk was minimal and no related hedging measures has been adopted.

BUSINESS REVIEW

During the year under review, the Group continued its focuses on logistics management solutions services including logistics consultancy, platform integration and implementation services. The Group further explored potential investment opportunities in strategic sectors to enhance the returns to its shareholders.

However, the year 2003 was a difficult year for ALT as the results of the Group were seriously affected by the outbreak of SARS during March to June. The epidemic caused substantial impacts on Hong Kong and China's economies. Logistics had been one of the hardest hit sectors in China as the government's disease control measures and the slow-down of many economic sectors substantially impacted the logistics industry in the country. The Group's activities almost returned to normal in the second half of 2003 following the fallout of the SARS epidemic.

Logistics Services

As one of the Group's key businesses, logistics industry in China has been experiencing various changes and challenges. Unexpected new sets of government policies and taxation reforms have been imposed and have caused substantial impacts on the operators. For instance, the recent stiff measures taken by the authorities to curb the industry practice in truck overloading and the new strict regulations governing the qualification of operators in issuing VAT creditable transportation invoices have created massive impacts in the market and raised new sets of hurdles for the logistics operators in China.

During the year, the Group was successful in securing new customers in China like Guangdong Jianlibao Group Co., Ltd.（廣東健力寶集團有限公司） and providing pilot logistics services to them. However, the Group was experiencing major challenges in respect of stiff market changes, new government policies and disastrous SARS epidemic. As a result, the Group decided to suspend some of the promising activities such as "Freshness Highway"（新鮮通途） in Hainan and the establishment of multi-channel logistics network with Haikou Harbour Group Co.. In view of the escalating new operating requirements and eroding margins, the Group has cautiously restructured its business and the low margin and low value-added operations in providing local and regional transportation services shall no longer be the focus of the Group.

Supply Chain and Logistics Consultancy Management Solutions

With the Group's extensive knowledge in logistics industry and solid experience in supply chain and logistics consultancy services, the Group delivers various turnkey supply chain and logistics consultancy and management solutions to its customers to meet their diversified business needs.

During the year under review, the Group continued to focus on the projects of Tianjin Zhongxin Pharmaceutical Group Corporation Ltd.(天津市中新藥業集團股份有限公司) ("Zhongxin Pharmaceutical"), and EXEL Singapore Pte. Ltd. ("EXEL"):

- The third phase of the Zhongxin Pharmaceutical project has been rolled out covering the provision of Point of Sales (POS) solutions, Enterprise Resources Planning (ERP) solutions integration and system roll out services for Zhongxin Pharmaceutical's subsidiary companies and supermarkets.

- The second phase of the EXEL project involves system development services to enhance and add new functionalities to the current Customs Processing System, designed to further improving operation efficiency and integration of Customs processes in the Logistics and Supply Chain Management services. The project has already commenced in early 2004 and shall last until the end of 2004.

Strategic Investment

As at 31 December 2003, the Group's shareholding interest in New World CyberBase Limited ("NWCB", whose shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code 276) was maintained at approximately 27.5%. The Group was capitalizing any synergies with NWCB in the development and implementation of information technology and software products to complement our comprehensive services to the customers. In terms of financial results, NWCB recorded an audited loss attributable to shareholders of approximately HK$44.7 million for the year ended 31 March 2003, representing a substantial improvement from the figure in previous year (2002: HK$189.2 million).

Other Investments

As at 31 December 2003, the Group's shareholding interest in Han International Consulting Company Limited ("Han") was maintained at 30%. The loss of Han attributable to ALT amounted to approximately HK$4.49 million for the year 2003. Impairment of goodwill and a provision of impairment in value totaling approximately HK$10.76 million have been made during the reporting period to reflect the value of the Group's investment in Han. Han is principally engaged in management consulting and information technology services and has customer network mainly in China.

Due to the favorable securities market in Hong Kong beginning in the third quarter of 2003 after the fallout of the SARS in July 2003, the Group has grasped this market opportunity such that the realized and unrealized profits gained by the Group with regards to its investment in listed securities amounting to approximately HK$2.98 million and approximately HK$6.24 million respectively for the year 2003.

Joint Venture

Because of the sluggish market conditions and the outbreak of SARS in the region, HanZen Technologies Consulting (Zhuhai) Limited ("Hanzen"), the jointly controlled entity established in October 2002 by the Group and Zensar Technologies Limited ("Zensar") of India, continued to record a loss during the year 2003 and has been experiencing major difficulties in securing sufficient working capital for continuing its operations. As the development of Hanzen was far from the original expectations of the Group and Zensar, it was decided that Hanzen shall commence a voluntary winding up to minimize any further financial impacts to its shareholders.

Research and Development

In 2003, the XiAn Research and Development Center focused on several research projects which included, inter alia, the partnering with EXEL for the system enhancement and functionality extension for the existing "Customs Declaration Express" solution; and the development of a Distribution Dispatch solution allowing customers to place orders and to track the in-transit status of various logistics service requests. XiAn Research and Development Center is also planning to carry on further research and development on Fleet Management and Warehouse Management modules to meet the needs of third party logistics operators.

In addition to the XiAn Research and Development Centre, the Group has strengthened its research capabilities through the operation of 北方交大亞洲物流研究中心 (Northern Jiaotong University Asia Logistics Research Centre), a research center jointly established with 北方交通大學現代物流研究所 (Northern Jiaotong University Modern Logistics Research Institute). The center specializes in scientific research in the logistics industry, logistics planning and design, engineering consulting, personnel and business training.

PROSPECTS

In view of the recovery of different economic sectors after the fall-out of SARS in the region and the favourable trade policy towards Hong Kong through Closer Economic Partnership Arrangement, the Directors are confident that the Group shall be able to benefit from any new opportunities arising in the market.

Logistics Consultancy and Management Solutions

The Group has re-emphasized its focus on the high value-added and high margin sectors of logistics solution services concentrating on logistics consultancy, system planning and implementation services for its customers.

Following the completion of the second phase of the Zhongxin Pharmaceutical project and first phase of the EXEL project, the Group has commenced works on the next phase of both projects:

- The third phase of the Zhongxin Pharmaceutical project covers the development and implementation of ERP systems for their subsidiaries, and logistics management and distribution systems for their supermarkets and chain stores. These systems will be seamlessly integrated to the ERP system of Zhongxin Pharmaceutical.

- In the second phase of the EXEL project, the Group shall modify its logistics solution "Customs Declaration Express" and custom-build an offshore manufacturing logistics solution to help the client to integrate effectively its processes all the way from the procurement of raw materials to customs declarations and product clearance.

The competitive advantages of the Group include its leading logistics technologies such as real-time GPS system, warehouse management system and other supply chain management and e-commerce technologies; and its research capability based on the Group's research and development center in XiAn and the cooperation with 北方交通大學現代物流研究所 (Northern Jiaotong University Modern Logistics Research Institute). The Group's unmatched competitive advantages and its clear business strategy shall enhance its results and achieve a long term growth in the logistics consultancy and solutions business.

Telecommunications

ALT has entered into a conditional acquisition agreement to acquire the entire issued share capital of New World PCS Holdings Limited ("NWPCS") at a consideration of HK$1.25 billion on 29 March 2004 (the "Acquisition"). Details of the proposed Acquisition have been set out in a joint announcement of the Company and New World Development Company Limited ("NWD", whose shares are listed on the Stock Exchange with stock code 17) dated 1 April 2004.

With a subscribers' base of 1.2 million as at December 2003, NWPCS is principally engaged in offering a host of quality mobile services tailored to customer needs via its existing GSM 2.5G network. Since its launch in August 1997, NWPCS has become one of Hong Kong's fastest growing mobile operators through the provision of a superb mobile network, the introduction of value-added data services, and the marketing of innovative multi-media mobile solutions. The operator has established a strong foothold in the marketplace with a total of 34 retail outlets strategically located in high-traffic areas. Its presence has been accentuated by entering into dealership agreements with various retail chains, which subsequently extended its retail network to over 1,300 sales points throughout Hong Kong.

As a dedicated service provider, NWPCS has made a number of achievements in boosting the usage of mobile data services in Hong Kong throughout the past few years. In 2003, NWPCS introduced TrafficWatcher, the first video-streaming service in town that allows mobile phone users to obtain live broadcast of real-time traffic information. The operator also regrouped its multi-media value-added services under the a brand-new service platform "M Kee" in November 2003, giving customers easy access to their desired service with an icon-based color WAP interface.

The fast-growing operator has also made significant achievements in marketing its brand equity and product innovations. With its relentless marketing effort, the operator has been widely recognized as a solid, vibrant and innovative brand. The most renowned marketing initiative is the brand campaign in 2001 which brought to NWPCS over 18 local and international awards in Hong Kong, Thailand, United Kingdom, the United States of America and Shanghai.

NWPCS believes that reliable and innovative data solutions in the next generation of mobile services will bring immense potential for its subscribers' base. In the future, NWPCS will continue to dedicate research and development of advanced and innovative multi-media mobile solutions in order to fulfill and exceed the expectation of its subscribers.

The Directors are optimistic about the prospects of NWPCS and consider that the Acquisition will provide a solid ground for ALT to invest in mobile telecommunications projects. The Directors also believe that the Acquisition will enlarge the Group's business scope, broaden its revenue stream and bring a positive contribution to its overall earnings in the future. The Directors have proposed upon completion of the Acquisition, to change the Company's name to "New World Mobile Holdings Limited" and adopt a Chinese name of「新世界移動控股有限公司」. The change of name shall reflect the business focus of the Group after completion of the Acquisition.

For the financing of the Acquisition, ALT has entered into a conditional subscription agreement with a wholly-owned subsidiary of NWD on 29 March 2004 in relation to the subscription of new shares of ALT at a total issue price of approximately HK$50 million and a 3 year convertible note convertible into new shares of ALT with principal amount of HK$1.2 billion (the "Subscription"). The convertible note shall bear an interest of 0.75% per annum. Details of the Subscription have been set out in a joint announcement of the Company and NWD dated 1 April 2004. Upon completion of the Subscription, NWD shall hold majority shareholding interest in ALT. Through the Subscription, ALT is not only able to raise enough financing for the Acquisition but also broaden its shareholder base. The Group shall benefit from the synergies created from the extensive business exposures of NWD group in the sectors of property development, provision of various services including transport and facilities, infrastructure, ports and telecommunications.

Strategic Investments

Considering the business focus of the Group in logistics solutions services and mobile telecommunications services, the Company is proposing a distribution in specie of its holdings in shares of NWCB to its shareholders (the "Distribution"). Details of the Distribution have been set out in a joint announcement of the Company and NWD dated 1 April 2004. The Distribution will (i) provide investors, research analysts and rating agencies with greater clarity on the business and financial position of ALT through segregation of NWCB's information technology business from its main lines of business; and (ii) offer an opportunity for the shareholders of ALT to realise their investments in the NWCB shares through direct holding of the NWCB shares.

The Directors shall continue to explore new opportunities which are synergetic to the business of the Group and are able to create values for our shareholders.

Chan Wai Keung, Ringo
Chief Executive Officer

Hong Kong, 23 April 2004