

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.



New World Infrastructure Limited

新世界基建有限公司

(incorporated in the Cayman Islands with limited liability)

PRESS CLARIFICATION

The directors (the “Directors”) of New World Infrastructure Limited (“NWI”) wish to clarify certain information reported in today’s press in relation to the formation of a strategic alliance with China Aerospace International Holdings Limited (“CASIL”) to develop interactive cable and satellite digital TV in China.

The Directors wish to clarify certain information reported in today’s press in relation to the formation of a strategic alliance with CASIL to develop interactive cable and satellite digital TV in China. CASIL is independent of and not connected with the directors, chief executive or substantial shareholders of NWI or its subsidiaries or any of their respective associates.

NWI entered into a strategic alliance agreement with CASIL on 27 October 2003. Under the strategic alliance, NWI will subscribe for new shares at a cash consideration of HK\$150 million in a wholly owned subsidiary of CASIL which will be renamed as China Aerospace New World Technology Limited (“CANW”). Thereafter, CANW will have an issued share capital of HK\$300 million, owned 51% by NWI and 49% by CASIL. CANW will combine NWI’s unique interactive digital TV technology with CASIL’s solid framework in cable TV industry in China to launch interactive cable and satellite digital TV services in China. Initially, CANW will deploy interactive digital TV services to hotels three star and above, high-end residential complexes, institutions and universities. CANW will aim to reach over 2 million subscribers in China over the coming two-year period. The total investment that would have been required when subscribers reach 2 million is estimated to be around HK\$4 billion based on the approximate cost of set-top-boxes and other equipment. This investment will only be made when there are significant subscriber demands and will be spread over 2 to 3 years. CANW has no present commitment to invest HK\$4 billion.

Further announcement will be made by NWI as and when appropriate.

The Directors wish to emphasize that the digital TV initiatives under the strategic alliance is only in the preliminary phase. Shareholders of NWI are reminded to exercise caution when dealing in the securities of NWI.

By order of the Board
Chan Wing-Tak, Douglas
Managing Director

Hong Kong, 28 October 2003

Please also refer to the published version of this announcement in the (South China Morning Post)