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**NEW
WORLD
TMT**

新世界信息科技有限公司*
New World TMT Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 301)

CONTINUING CONNECTED TRANSACTION

The directors of the Company announce that the Company and NWT entered into the Consultancy Agreement on 28 May 2004. Pursuant to the Consultancy Agreement, NWT agrees to provide to the Company consultancy services to a date which is three years from the date of the Consultancy Agreement at a monthly fee of not exceeding HK\$800,000.

NWT is a wholly owned subsidiary of the controlling shareholder of the Company, NWD. Therefore, the Consultancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. Since the annual consultancy fee payable by the Company under the Consultancy Agreement is more than 2.5% of the revenue ratio, but less than HK\$10 million, the Consultancy Agreement is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules. Appropriate disclosure of the Consultancy Agreement will be made in the Company's annual report and accounts for the year ending 30 June 2004 and subsequent reports to 30 June 2007.

CONSULTANCY AGREEMENT

- Date: 28 May 2004
- Parties: NWT and the Company
- Term: three years from the date of the Consultancy Agreement and is renewable upon mutual agreement of the parties in writing.
- Consultancy Fee: not exceeding HK\$800,000 per month (the annual cap will therefore be HK\$9,600,000). The actual consultancy fee will be charged based on the number and level of expertise of the NWT personnel deployed to provide the consultancy services.
- Payment Term: The Consultancy Fee will be paid in cash monthly in arrears within 30 days upon receipt of invoice from NWT.

BASIS FOR THE ANNUAL CAP

The annual cap includes current deployment of consultants which is charged at approximately HK\$500,000 per month plus estimate for future requirement.

INFORMATION ON THE COMPANY

The Company is principally engaged in the development, investment, operation and/or management of telecommunications, media and technology businesses in Hong Kong and the PRC.

As at the date of this announcement, the board of directors of the Company comprises (i) four executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Chan Wing-Tak, Douglas, Mr. Wong Chi-Chiu, Albert and Dr. Wai Fung-Man, Norman; (ii) three non-executive directors, namely Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun-Wah, David), Mr. Fu Sze-Shing and Mr. Lee Sean, Sammy; and (iii) two independent non-executive directors, namely Mr. Lai Hing-Chiu, Dominic and Dr. Lam Man-Kit, Dominic.

REASONS FOR THE TRANSACTION

NWT, the principal activities of which is the provision of telecommunication services, is in possession of experienced professionals in the field of telecommunications and technology. The directors of the Company believe that NWT's consultants can assist the management of the Company to formulate business development plans and provide advice on technical aspects of the Company's projects.

The Consultancy Fee was agreed after arm's length negotiations with reference to market rate. The directors of the Company (including the independent non-executive directors) are of the view that the terms of the Consultancy Agreement are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

CONNECTION BETWEEN THE PARTIES

By virtue of being a wholly owned subsidiary of NWD, the controlling shareholder of the Company, NWT is a connected person of the Company and the entering into of the Consultancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. As the annual consultancy fee payable by the Company under the Consultancy Agreement is more than 2.5% of the revenue ratio, but less than HK\$10 million, the Consultancy Agreement is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules. Appropriate disclosure of the Consultancy Agreement will be made in the Company's annual report and accounts for the year ending 30 June 2004 and subsequent reports to 30 June 2007.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Consultancy Agreement” the consultancy agreement dated 28 May 2004 made between NWT and the Company

“Company”	New World TMT Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“NWT”	New World Telecommunications Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of NWD
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Chow Oi Wah, Fergus
Company Secretary

Hong Kong, 28 May 2004

** For identification purposes only*

“Please also refer to the published version of this announcement in South China Morning Post”.