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**NEW  
WORLD  
TMT**

**新世界信息科技有限公司\***

**NewWorldTMT Limited**

(incorporated in the Cayman Islands with limited liability)

**(Stock Code: 301)**

## **DISCLOSEABLE TRANSACTION**

The Board announces that on 20 January 2005, the Vendor (a wholly owned subsidiary of the Company) entered into the Agreement, which is not subject to any conditions precedent, with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the entire interest in the issued share capital of Living Colours for an aggregate value of consideration of RMB55 million (approximately HK\$51.4 million).

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. The Company will send a circular containing further details on the Disposal to its shareholders as soon as practicable after this announcement.

### **THE AGREEMENT**

**Date:** 20 January 2005

**Parties:**

- (i) Vendor: Lotsgain Limited, a wholly owned subsidiary of the Company
- (ii) Purchaser: 北京曉通潤合寬頻網絡技術服務有限公司 (unofficial translation being Beijing Xiao Tong Run He Broadband Network Technology Services Co. Ltd.)

The Purchaser is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates. To the best knowledge of the Company, the Purchaser engages in various business activities including the provision of broadband network technology services.

### **Interest to be disposed**

Pursuant to the Agreement which is not subject to any conditions precedent, the Vendor agreed to sell and the Purchaser agreed to purchase the entire interest in the issued share capital of Living Colours for a total consideration of RMB55 million (approximately HK\$51.4 million).

On Completion, the Vendor will waive the shareholder's loan due from Living Colours amounting to approximately HK\$190.4 million.

Living Colours will cease to be a subsidiary of the Company upon Completion.

### **Consideration**

The total consideration shall be payable in cash by the Purchaser to the Vendor in US\$ at the rate of US\$1 to RMB8.25 within 14 Business Days from the date of the Agreement.

The aggregate value of consideration was arrived at after arm's length negotiations with reference to the financial prospect of Living Colours and having regard to relevant factors including the prevailing business conditions and environment in which Living Colours operates.

The unaudited consolidated net liabilities of Living Colours after taking into account of its coal mines investments as at 30 June 2003 and 2004 were approximately HK\$186.3 million and HK\$190.1 million respectively. The unaudited consolidated loss before tax of Living Colours for the years ended 30 June 2003 and 2004 were approximately HK\$165.6 million and HK\$3.8 million respectively. The unaudited consolidated loss after tax of Living Colours for the years ended 30 June 2003 and 2004 were the same as the above before tax figures.

The Disposal is on normal commercial terms which are considered by the Board (including the independent non-executive directors) to be fair and reasonable insofar as the shareholders of the Company are concerned and in the interests of the Company taken as a whole.

### **Completion**

Completion shall occur on the eighth Business Day after the payment of the consideration or on such other date as the Vendor and the Purchaser may agree in writing.

### **INFORMATION ON LIVING COLOURS**

The principal business of Living Colours is investment in 46% interest in Datong New World High Quality Coal Co. Ltd., a Sino-foreign cooperative joint venture incorporated in the PRC. The principal business activity of Datong New World High Quality Coal Co. Ltd. is the operation of certain coal mines located in Shanxi, the PRC.

### **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.

### **REASONS FOR THE DISPOSAL**

The Disposal is consistent with the Group's business strategy as the principal business of Living Colours is not in line with the Group's core business.

### **FINANCIAL EFFECT OF THE DISPOSAL**

On Completion, the Group will incur a net gain of approximately HK\$46.2 million based on the net sales proceeds less the unaudited consolidated net liabilities of Living Colours and the shareholder's loan due from Living Colours at 30 June 2004.

### **USE OF PROCEEDS**

The net sale proceeds from the Disposal of RMB49.4 million (approximately HK\$46.2 million) (after deducting relevant expenses) will be used for internal working capital of the Group.

## DISCLOSEABLE TRANSACTION

Applying the consideration test to the Disposal, the percentage ratio computed exceeds 5% but is less than 25% of the total market capitalization of the Company determined in accordance with Rule 14.07(4) of the Listing Rules. Accordingly, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules. The Company will send a circular containing further details on the Disposal to its shareholders as soon as practicable after this announcement.

As at the date of this announcement, the Board comprises (i) three executive directors, namely Dr Cheng Kar-Shun, Henry, Mr Wong Chi-Chiu, Albert and Dr Wai Fung-Man, Norman; (ii) four non-executive directors, namely Mr Wilfried Ernst Kaffenberger (alternate director to Mr Wilfried Ernst Kaffenberger: Mr Yeung Kun-Wah, David), Mr Fu Sze-Shing, Mr Lee Sean, Sammy and Mr Lai Hing-Chiu, Dominic; and (iii) three independent non-executive directors, namely Dr Lam Man-Kit, Dominic, The Honourable Shek Lai-Him, Abraham and Mr Kong Chi-How, Johnson.

## DEFINITIONS

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

“Agreement”	the agreement dated 20 January 2005 between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday) on which banks are open for ordinary banking business in Hong Kong
“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
“Completion”	completion of the Disposal pursuant to and in accordance with the Agreement
“Disposal”	the disposal by the Vendor of its entire interest in the issued share capital of Living Colours pursuant to the Agreement
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Living Colours”	Living Colours Limited, a wholly owned subsidiary of the Vendor immediately before Completion, incorporated in the British Virgin

Islands with limited liability and issued share capital of US\$1.00 divided into 1 share of US\$1.00

“PRC”	the People’s Republic of China
“Purchaser”	北京曉通潤合寬頻網絡技術服務有限公司(unofficial translation being Beijing Xiao Tong Run He Broadband Network Technology Services Co. Ltd.), a company incorporated in the PRC with limited liability
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Lotsgain Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 20 January 2005

*Exchange rate: HK\$1 = RMB1.07*

\* *For identification purposes only*

“Please also refer to the published version of this announcement in The Standard”