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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 Apex-Pro Systems Limited (“Apex-Pro”, a subsidiary of the Company) and New World Telecommunications Limited (“NWT”) entered into the Terms Agreement on 27 May 2005. Pursuant to the Terms Agreement, Apex-Pro will develop, maintain and license software systems to NWT for the operation of a new service to be marketed by NWT on a portal at a fee of 50% of the gross revenue generated and received by NWT from the new service.

NWT is a wholly owned subsidiary of the controlling shareholder of the Company, NWD. Therefore, the Terms Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. Given that the applicable ratios for the annual cap in respect of the Terms Agreement are more than 0.1% but less than 2.5%, the Terms Agreement is subject to the reporting, announcement and annual review requirements, and is exempt from independent shareholders’ approval under the Listing Rules.

TERMS AGREEMENT

Date: 27 May 2005

Parties: Apex-Pro and NWT

Term: one year from the date of the Terms Agreement and is renewable upon mutual agreement of the parties in writing.

Subject: Apex-Pro shall develop, maintain and license software systems to NWT for the operation of a new service to be marketed by NWT on a portal offered to trading, manufacturing and product sourcing companies with the objective of improving their communication, order processing and sales promotion operations.

Fee: a fee shall be payable by NWT to Apex-Pro on a monthly basis in arrears at the rate of 50% of the gross revenue generated and received by NWT from the new service.

The revenue components include:

- (a) the new service’s monthly rental charged to the new service’s customers and the monthly package charge of NWT’s NetTalk iCommunicator subscription charged to the new service’s customers, but shall not include the per-minute usage charges that NWT charges the new service’s customers for any minute usage beyond their monthly package minute limit; and

- (b) ad hoc fees charged to the new service's customers for the rendering of professional services to the customers by either party.

Payment Term: The fee will be paid by NWT in cash monthly in arrears within 30 days upon receipt of invoice from Apex-Pro.

MAXIMUM AGGREGATE ANNUAL VALUE

The maximum aggregate annual value received by Apex-Pro pursuant to the Terms Agreement is subject to a cap of HK\$5,000,000 for the purpose of Chapter 14A of the Listing Rules. The annual cap is determined by reference to the sales estimated by the management of Apex-Pro taking into account of estimated customer uptake and relevant market information.

REASONS FOR THE TRANSACTION

Apex-Pro is principally engaged in the provision of B2B e-commerce solutions.

The principal activities of NWT are the provision of telecommunication services and related value-added businesses.

The directors of the Company believe that the Group will benefit from the synergy effects with NWT's telecommunication value added business as a result of the transaction.

The directors of the Company (including the independent non-executive directors) are of the view that the terms of the Terms 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 Terms Agreement constitutes a continuing connected transaction for the Company under the Listing Rules. As the applicable ratios for the annual cap in respect of the Terms Agreement are more than 0.1% but less than 2.5%, the Terms Agreement is subject to the reporting, announcement and annual review requirements, and is exempt from independent shareholders' approval under the Listing Rules.

The Company will re-comply with the Listing Rules in case the annual cap is exceeded or when the Terms Agreement is renewed or there is a material change to the terms of the Terms Agreement.

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 Mainland China.

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:

“Apex-Pro”	Apex-Pro Systems Limited, a company incorporated in Hong Kong with limited liability and a 62.75% subsidiary of 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terms Agreement”	the terms agreement dated 27 May 2005 made between Apex-Pro and NWT

By Order of the Board
Richard Poon
Company Secretary

Hong Kong, 27 May 2005

* *For identification purposes only*

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