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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)

CONTINUING CONNECTED TRANSACTION

On 7 July 2005, XLC, a wholly-owned subsidiary of the Company, entered into the Call Centre Management Agreement with NWT, a wholly-owned subsidiary of NWD which controls about 54.6% of the issued share capital of the Company, pursuant to which XLC will provide call centre facilities and management services to NWT. The Call Centre Management Agreement constitutes a continuing connected transaction for the Company.

On the basis that the Cap for the Call Centre Management Agreement is less than 25% of the applicable percentage ratios and is less than HK\$10 million, the Call Centre Management Agreement is subject to announcement, reporting and annual review requirements, but is exempt from independent shareholders' approval.

INTRODUCTION

XLC, a wholly-owned subsidiary of the Company, entered into the Call Centre Management Agreement with NWT, a wholly-owned subsidiary of NWD which controls about 54.6% of the issued share capital of the Company, pursuant to which XLC will provide call centre facilities and management services (including IT support, system maintenance, human resources and administration services) to NWT.

CALL CENTRE MANAGEMENT AGREEMENT

- Date:** 7 July 2005
- Parties:** XLC and NWT
- Term:** 2 years from 1 July 2005 to 30 June 2007
- Services fee:** NWT will pay XLC a monthly services fee based on the number of workstations used and upon normal commercial terms negotiated on an arm's length basis.
- Payment terms:** Services fee will be payable monthly in arrear.
- NWT will reimburse XLC in full for all costs and expenses incurred by XLC for and on behalf of NWT including staff costs, leased lines and utilities costs, sundry office expenses and any taxes arising therefrom.
- Annual cap:** The Cap of the monthly services fee (excluding costs and expenses which will be reimbursed by NWT in full as aforementioned) for the Call Centre Management Agreement for the financial years ending 2006 and 2007 are HK\$9,500,000 and HK\$9,700,000 respectively.

The Cap has been determined after arm's length negotiations taking into account various factors such as the costs of XLC in providing the services, the content and quality of the services required, the flexibility available for NWT to increase the number of workstations at its discretion and the quantity of workstations used.

REASONS FOR THE TRANSACTION

The Company has been providing call centre facilities and management services to NWT since May 2003 through XLC on a cost plus basis. The Company considers that the provision of call centre facilities and management services to NWT enables XLC to utilize the capacity of its existing call centres in Guangzhou and Shenzhen. Total fees (representing the amount charged on top of the cost of services) paid or payable to XLC from 1 May 2003 to 30 June 2003, 1 July 2003 to 30 June 2004 and 1 July 2004 to 31 May 2005 amounted to approximately HK\$47,000, HK\$674,000 and HK\$973,000 respectively. No announcement with respect to the payment of such fees has been made as the amounts of the fees fall under the de minimis exemption in Rule 14A.33(3).

XLC considers that it is in the interests of XLC to conclude the Call Centre Management Agreement in consideration of a fixed charge per workstation (which includes depreciation of the equipment per workstation as that cannot be directly supported by third party invoices) and reimbursement of expenses incurred by XLC for and on behalf of NWT that can be specifically supported by third party invoices. The difference between the Cap for the financial years ending 2006 and 2007 and the fees paid from 1 July 2004 to 31 May 2005 is due to the adoption of a fixed charge per workstation which includes depreciation of equipment of the relevant workstations. As this kind of expenses cannot be supported by third party invoices, XLC has decided to rationalise its fee structure so that such expenses will basically be absorbed by XLC and then passed onto NWT as part of the fixed charge. Conclusion of the Call Centre Management Agreement has also brought XLC's services to NWT broadly in line with the agreement concluded between XLC and New World Mobile Holdings Limited on 21 June 2005 with respect to similar services as announced by the Company on 21 June 2005.

The directors of the Company (including the independent non-executive directors) consider that the Call Centre Management Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company. They are also of the view that the terms of the Call Centre Management Agreement as well as the amount of the Cap are fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTION

NWT is a wholly-owned subsidiary of NWD which controls about 54.6% of the issued share capital of the Company. NWT is hence a connected person of the Company. The entering into of the Call Centre Management Agreement constitutes a continuing connected transaction for the Company. On the basis that the Cap for the Call Centre Management Agreement is less than 25% of the applicable percentage ratios and is less than HK\$10 million, the Call Centre Management Agreement is subject to announcement, reporting and annual review requirements, but is exempt from independent shareholders' approval. Details of the continuing connected transaction will also be disclosed in the annual report of the Company in compliance with all applicable regulatory requirements.

INFORMATION ABOUT NWT

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

INFORMATION ABOUT 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 Mainland China.

DEFINITIONS

“Call Centre Management Agreement”	call centre management services agreement entered into between XLC and NWT on 7 July 2005
“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
“Cap”	the maximum aggregate annual value
“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
“XLC”	Shenzhen Xiang Long Communication Co., Ltd., a company incorporated in the People’s Republic of China with limited liability and a wholly-owned subsidiary of the Company

By Order of the Board
Richard Poon
Company Secretary
New World TMT Limited

Hong Kong, 7 July 2005

* For identification purposes only

As at the date of this announcement, the board of directors of the Company 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.

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