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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: 0301)

CONTINUING CONNECTED TRANSACTIONS

On 22 September 2005, Xindu Fengfan, an indirect 49.07% subsidiary of the Company, entered into Advertising Agency Framework Agreements with Chong Wen and Chong Yu respectively. Both Chong Wen and Chong Yu are associates of NWD which controls about 54.6% of the issued share capital of the Company. Pursuant to the Advertising Agency Framework Agreements, Chong Wen and Chong Yu will each engage Xindu Fengfan as agent for placing advertisements in newspapers in Mainland China. The Advertising Agency Framework Agreements constitute continuing connected transactions for the Company.

On the basis that the Cap for each Advertising Agency Framework Agreement is less than 2.5% of the applicable percentage ratios, each of the Advertising Agency Framework Agreements is subject to announcement, reporting and annual review requirements, but is exempt from independent shareholders' approval.

INTRODUCTION

Xindu Fengfan, an indirect subsidiary of the Company, entered into the Advertising Agency Framework Agreement with Chong Wen and Chong Yu respectively. Both Chong Wen and Chong Yu are associates of NWD which controls about 54.6% of the issued share capital of the Company. Pursuant to the Advertising Agency Framework Agreements, Chong Wen and Chong Yu will each engage Xindu Fengfan as agent for placing advertisements in newspapers in Mainland China.

ADVERTISING AGENCY FRAMEWORK AGREEMENTS

1. Advertising Agency Framework Agreement with Chong Wen

Date: 22 September 2005

Parties: Xindu Fengfan and Chong Wen

Term: From the date of the Advertising Agency Framework Agreement to 30 June 2006

Basis of provision of services: The parties shall enter into separate engagement agreement for each advertisement placing order.

The price and terms of each engagement agreement shall be determined in the ordinary course of business at market price and on terms no less favourable to Xindu Fengfan than terms available to independent third parties.

Annual cap: The Cap of the fees for the financial year ending 2006 is RMB7,500,000.

2. Advertising Agency Framework Agreement with Chong Yu

Date: 22 September 2005

Parties: Xindu Fengfan and Chong Yu

Term: From the date of the Advertising Agency Framework Agreement to 30 June 2006

Basis of provision of services: The parties shall enter into separate engagement agreement for each advertisement placing order.

The price and terms of each engagement agreement shall be determined in the ordinary course of business at market price and on terms no less favourable to Xindu Fengfan than terms available to independent third parties.

Annual cap: The Cap of the fees for the financial year ending 2006 is RMB2,000,000.

BASIS OF THE ANNUAL CAP

Xindu Fengfan is principally engaged in the business of an advertising agent. Chong Wen has been placing orders with Xindu Fengfan for placing advertisements in respect of its property development projects in newspapers since November 2004 and the aggregate value of transactions for the year ended 30 June 2005 amounted to approximately RMB7,207,000 (approximately HK\$6,736,000). For Chong Yu, the aggregate value of transactions with Xindu Fengfan since December 2004 up to 30 June 2005 amounted to approximately RMB1,039,000 (approximately HK\$971,000).

The Caps have been determined after arm's length negotiations taking into account various factors such as the above historical figures, costs of Xindu Fengfan in providing the services and the estimated frequency and quantity of services required.

REASONS FOR THE TRANSACTIONS

The Company has concluded the Advertising Agency Framework Agreements to regulate the recurring transactions between Xindu Fengfan and each of Chong Wen and Chong Yu.

The directors of the Company (including the independent non-executive directors) consider that the Advertising Agency Framework Agreements are 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 Advertising Agency Framework Agreements as well as the amount of the Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

NWD indirectly controls the composition of a majority of the board of directors of Chong Wen and Chong Yu, and hence each of Chong Wen and Chong Yu is a connected person of the Company. Xindu Fengfan is an indirect subsidiary of the Company of which NWD controls about 54.6% of the issued share capital.

No announcement was made with respect to the transactions between Xindu Fengfan and Chong Wen as the Company was not aware of the fact that Chong Wen falls under the definition of connected person under the Listing Rules at the relevant time. The Company discovered the same in August 2005 in the course of preparation of year end closing. This constituted a breach of Rule 14A.34. The Stock Exchange reserves its right to take action against the Company.

The entering into of the Advertising Agency Framework Agreements constitute continuing connected transactions for the Company. On the basis that the Cap for each of the Advertising Agency Framework Agreements is less than 2.5% of the applicable percentage ratios, each of the Advertising Agency Framework Agreements is subject to announcement, reporting and annual review requirements, but is exempt from independent shareholders' approval. Details of the continuing connected transactions will also be disclosed in the annual report of the Company in compliance with all applicable regulatory requirements.

INFORMATION ABOUT CHONG WEN AND CHONG YU

The principal activities of Chong Wen and Chong Yu are property investment and development in Mainland China.

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

“Advertising Agency Framework Agreement”	Each of the advertising agency framework agreements entered into by Xindu Fengfan with Chong Wen and Chong Yu respectively on 22 September 2005
“Cap”	the maximum aggregate annual value
“Chong Wen”	Beijing Chong Wen – New World Properties Development Co., Ltd., a co-operative joint venture established in the People’s Republic of China and NWD indirectly controls the composition of a majority of its board of directors
“Chong Yu”	Beijing Chong Yu Real Estate Development Co., Ltd. a co-operative joint venture established in the People’s Republic of China and NWD indirectly controls the composition of a majority of its board of directors
“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

“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xindu Fengfan”	Beijing Xindu Fengfan Advertising Co., Ltd., a company incorporated in the People’s Republic of China with limited liability and an indirect subsidiary of the Company

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

Hong Kong, 22 September 2005

Exchange rate: HK\$1 = RMB1.07

* *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”