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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: 0301)**

## **DISCLOSEABLE TRANSACTION**

### **TRANSFER**

The Directors announce that on 4 October 2005, the Company and the Nominee entered into the Equity Transfer Agreement with Golden Strength in connection with the transfer of the Equity Interest by Golden Strength to the Nominee in exchange for the Company's rights, title and interests in the Sunnet US Loan in the amount of US\$8.5 million. Upon completion of the Transfer, the Company will become the indirect sole owner of Dalian Shang Li De.

### **DISCLOSEABLE TRANSACTION**

The transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and the Company will send a circular containing further details regarding the transaction as soon as practicable and in accordance with the Listing Rules.

## **INTRODUCTION**

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## **ADVANCE TO ENTITY**

Sunnet US signed two promissory notes in favour of New QU (which is owned as to 35% by the Company) in 2001 for a total sum of US\$8.5 million which was advanced by New QU to Sunnet US by making contribution on behalf of Sunnet US for the capital enlargement of Dalian Shang Li De. Such loan was interest-free and repayable on demand. The Company, taking into consideration that Sunnet US is the ultimate beneficial owner of Dalian Shang Li De which is an operating company with active business pursuit that complement to the business of the Company, agreed to offset part of the New QU Loan in exchange for the New QU's rights, interest and title in the two promissory notes.

On 23 September 2005, the Company entered into a loan assignment and set off agreement (in Chinese) with New QU whereby New QU assigned the Sunnet US Loan of US\$8.5 million to the Company to offset US\$8.5 million of the New QU Loan of US\$16.81 million owing by New QU to the Company. As such, the Sunnet US Loan exceeds 8% of the Company's market capitalisation of approximately HK\$423 million (based on the total number of 952,180,007 shares of the Company in issue as at the date of this announcement and the average closing price of HK\$0.444 for the five business days immediately preceding the date of this announcement).

The loan due from New QU was first disclosed in the Company's announcement dated 15 April 2004 and included in the Company's latest interim report. Before the aforesaid assignment, Sunnet US did not owe any sum to the Company.

## **EQUITY TRANSFER AGREEMENT**

On 4 October 2005, the Company, the Nominee and Golden Strength entered into the Equity Transfer Agreement.

### **Parties**

- (1) Golden Strength;
- (2) the Company; and
- (3) the Nominee.

### **Transfer**

The Equity Transfer Agreement relates to the Transfer and the terms of the Transfer are as follows:

Pursuant to the Equity Transfer Agreement, Golden Strength has agreed to transfer the Equity Interest to the Nominee and the Company has agreed to assign its rights, title and interests in the Sunnet US Loan to Golden Strength so that upon completion of the Transfer, the Company will become the indirect sole owner of Dalian Shang Li De.

### *Consideration*

The Consideration for the Equity Interest was US\$8.5 million (HK\$66.3 million). Such Consideration was determined after arm's length negotiations on normal commercial terms and after taking into consideration the net asset value of Dalian Shang Li De as indicated in its audited financial statements for the year ended 31 December 2004 prepared in accordance with Hong Kong Generally Accepted Accounting Principles. The Consideration represents approximately a 5.82% discount over the net asset value of Dalian Shang Li De as at 31 December 2004 of approximately RMB75.3 million (HK\$70.4 million).

The Consideration shall be satisfied by transferring and assigning to Golden Strength of the Company's rights, title and interests in the Sunnet US Loan.

## *Completion*

Completion of the Transfer shall take place as soon as possible following the obtaining of all the approvals from the relevant PRC authorities required for the transfer of the Equity Interest from Golden Strength to the Nominee or at such time or place as the Company and the Nominee may notify Golden Strength in writing. It is currently expected that completion of the transactions contemplated under the Equity Transfer Agreement will take place by the end of November 2005.

## **EQUITY INTEREST**

The Equity Interest represents the entire registered capital of Dalian Shang Li De. The principal activities of Dalian Shang Li De are the manufacturing and sales of (1) boiler finned tubes and boiler coal gas savers, mainly used in industrial boilers of power plants and furnaces of metallurgical industries; (2) heat transfer tubes and heat exchange assembly, mainly for pre-heaters used in industries such as oil refining, chemical engineering and metallurgical; and (3) Type I and II pressure vessels for PRC and overseas markets.

Dalian Shang Li De was established on 3 July 1997. The audited loss before taxation and extraordinary items of Dalian Shang Li De for the years ended 31 December 2003 and 2004 were RMB7,777,000 (approximately HK\$7,268,000) and RMB23,090,000 (approximately HK\$21,579,000) respectively. The audited loss after taxation and extraordinary items of Dalian Shang Li De for the years ended 31 December 2003 and 2004 were the same as the before tax figures set out above.

The audited net asset value of Dalian Shang Li De as at 31 December 2004 was RMB75,317,000 (approximately HK\$70,390,000).

## **REASONS FOR THE TRANSACTION**

The Company believes that the Transfer will enhance the Group's research and development work by producing proto-type products for the Group's heat transfer technology projects and subsequent product commercialisation process by utilising the capacity of the manufacturing plant of Dalian Shang Li De.

Furthermore, the Company believes that the Transfer will be a better and more efficient method for the Company to recuperate the outstanding amount due under the Sunnet US Loan while complementing the Company's current business.

The Directors, including the independent non-executive Directors, consider that the transaction was entered into after arm's length negotiations on normal commercial terms and that the terms of the Transfer are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **DISCLOSEABLE TRANSACTION**

As the relevant ratios (as defined in the Listing Rules) in respect of the Transfer are greater than 5% but less than 25%, the Transfer constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules and a circular containing further details of the Transfer will be sent to shareholders of the Company as soon as practicable and in accordance with the Listing Rules.

## **INFORMATION OF THE PARTIES INVOLVED**

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.

Golden Strength is an investment holding company. It is wholly-owned by Sunnet US and was the sole owner of Dalian Shang Li De. One of the directors of Golden Strength, namely, Mr Wong Chi-Chiu, Albert is also a Director. Mr Wong does not hold any interest in Sunnet US or New QU.

The Company confirms that, save as to the relationships with the Company as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Golden Strength and its ultimate beneficial owner are Independent Third Parties. To the best knowledge of the Directors, none of the connected persons of the Company and any of its subsidiaries has any other relationship with Sunnet US.

## **DEFINITIONS**

“Company”	New World TMT Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Consideration”	the assignment by the Company to Golden Strength of the Company's rights, title and interests in the loans owing by Sunnet US to the Company, in the aggregate amount of US\$8.5 million
“Dalian Shang Li De”	大連熾立得傳熱技術有限公司 (Dalian Shang Li De Heat Conduction Technology Co., Limited), a company incorporated in the PRC with registered capital of US\$14.5 million and a wholly-owned subsidiary of Golden Strength
“Directors”	the directors of the Company
“Equity Interest”	the entire equity interest in Dalian Shang Li De comprising all of its registered capital
“Equity Transfer Agreement”	an agreement dated 4 October 2005 and entered into by the Company, the Nominee and Golden Strength in relation to the Transfer

“Golden Strength”	Golden Strength Inc., a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Sunnet US as well as the holding company of Dalian Shang Li De
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	third parties independent of the Company and connected persons of the Company (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New QU”	New QU Energy Limited, a company incorporated in the British Virgin Islands which is owned as to 35% by the Company
“New QU Loan”	the sum of US\$16,810,577 (including interest thereon in the amount of US\$990,484) as at 31 August 2005 owing by New QU to the Company
“Nominee”	Keenwise Technology Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunnet US”	Sunnet International Corporation, a company incorporated under the laws of the State of California, USA and the holding company of Golden Strength
“Sunnet US Loan”	the loan in the aggregate amount of US\$8.5 million originally due from Sunnet US to New QU which was subsequently assigned to the Company on 23 September 2005 by New QU
“Transfer”	the transfer by Golden Strength of its Equity Interest to the Company pursuant to the Equity Transfer Agreement

“US\$”

United States dollars, the lawful currency of the United States of America

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

Hong Kong, 4 October 2005

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

*As at the date of this announcement, the 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.*

\* *For identification purposes only*

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