
IMPORTANT

If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New World TMT Limited, you should at once hand this circular to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF

DALIAN SHANG LI DE HEAT CONDUCTION TECHNOLOGY CO., LIMITED

25 October 2005

* For identification purposes only

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and connected persons of the Company

DEFINITIONS

“Latest Practicable Date”	17 October 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“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 a wholly-owned subsidiary of the Company
“NWCL”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed 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
“NWMH”	New World Mobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“NWSH”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“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

In this circular, except as otherwise indicated, RMB has been translated into HK\$ at the rate of HK\$1.00 = RMB1.07 for reference purpose.

LETTER FROM THE BOARD

**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)

Directors:

Executive Directors:

Dr CHENG Kar-Shun, Henry (*Chairman*)
Mr WONG Chi-Chiu, Albert (*Chief Executive Officer*)
Dr WAI Fung-Man, Norman

Non-executive Directors:

Mr FU Sze-Shing
Mr KAFFENBERGER, Wilfried Ernst
Mr LEE Sean, Sammy
Mr LAI Hing-Chiu, Dominic
Mr YEUNG Kun-Wah, David
(*alternate director to Mr KAFFENBERGER,
Wilfried Ernst*)

Independent Non-executive Directors:

Dr LAM Man-Kit, Dominic
The Honourable SHEK Lai-Him, Abraham
Mr KONG Chi-How, Johnson

Registered Office:

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

**Head office and principal place
of business in Hong Kong:**

2008, 20th Floor
New World Tower 1
18 Queen's Road Central
Hong Kong

25 October 2005

To the shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
ACQUISITION OF
DALIAN SHANG LI DE HEAT CONDUCTION TECHNOLOGY CO., LIMITED**

INTRODUCTION

On 4 October 2005, the Board announced that 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.

The purpose of this circular is to provide you with further information on the Transfer.

EQUITY TRANSFER AGREEMENT

Date: 4 October 2005

* For identification purposes only

LETTER FROM THE BOARD

Parties:

- (i) Golden Strength;
- (ii) the Company; and
- (iii) 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.

Sunnet US Loan

Sunnet US signed two promissory notes in favour of New QU 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. Before the aforesaid assignment, Sunnet US did not owe any sum to the Company.

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.

LETTER FROM THE BOARD

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.

FINANCIAL EFFECT OF THE TRANSACTION

Upon completion of the Transfer, Dalian Shang Li De will become an indirect wholly-owned subsidiary of the Company. The results, assets and liabilities of Dalian Shang Li De will be consolidated into the consolidated financial statements of the Company.

Since 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, the Sunnet US Loan will be fully repaid upon completion of the Transfer. The net assets of the Group will then be changed by an amount of the difference between the net assets value of Dalian Shang Li De as at the date of completion of the Transfer and the Sunnet US Loan.

LETTER FROM THE BOARD

INFORMATION ON 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.

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.

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.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
WONG Chi-Chiu, Albert
Chief Executive Officer

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS' DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) The Company*Long positions in shares*

Name of Director	Number of shares held			Total	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Dr Cheng Kar-Shun, Henry	–	1,000,000	–	1,000,000	0.11

(B) Associated Corporations**NWSH***Long positions in shares of NWSH*

Name of Director	Number of shares held			Total	Approximate percentage of issued share capital of NWSH as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Dr Cheng Kar-Shun, Henry	3,009,849	587,000	8,000,000	11,596,849	0.63

(Note)

Note: These shares are held by a company wholly owned by Dr Cheng Kar-Shun, Henry.

Long positions in underlying shares of NWSH – share options

Name of Director	Grant date	Exercisable period	Number of share options outstanding	Exercise price per share
Mr Wilfried Ernst Kaffenberger	21 July 2003	(Note)	605,909	HK\$3.719

Note: Divided into 3 tranches exercisable from 21 January 2004, 21 July 2004 and 21 July 2005 respectively to 20 July 2008.

NWCL*Long positions in shares of NWCL*

Name of Director	Number of shares held			Total	Approximate percentage of issued share capital of NWCL as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Dr Cheng Kar-Shun, Henry	–	–	52,271,200 (Note)	52,271,200	1.38

Note: These shares are held by a company wholly owned by Dr Cheng Kar-Shun, Henry.

Long positions in underlying shares of NWCL – share options

Name of Director	Grant date	Exercisable period (Note)	Number of share options outstanding with exercise price per share of HK\$1.782
Dr Cheng Kar-Shun, Henry	7 February 2001	8 March 2001 to 7 March 2006	12,500,000

Note: The share options are exercisable within five years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total share options granted together with any unexercised share options carried forward from the previous anniversary years.

NWMH*Long positions in underlying shares of NWMH – share options*

Name of Director	Grant date	Exercisable period	Number of share options outstanding	Exercise price per share
Dr Cheng Kar-Shun, Henry	28 January 2005	28 January 2005 to 31 December 2010	780,000	HK\$1.26
Dr Wai Fung-Man, Norman	28 January 2005	28 January 2005 to 31 December 2010	482,000	HK\$1.26

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

(a) Interests to be disclosed under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares

Name	Number of shares held			Approximate percentage of issued share capital of the Company
	Beneficial interests	Corporate interests	Total	
Chow Tai Fook Enterprises Limited (<i>Note 1</i>)	–	519,919,085	519,919,085	54.60
NWD (<i>Note 2</i>)	–	519,919,085	519,919,085	54.60
Sea Walker Limited (“SWL”) (<i>Note 3</i>)	–	516,561,485	516,561,485	54.25
Mombasa Limited	516,561,485	–	516,561,485	54.25
AIG Asian Infrastructure Management II Ltd. as general partner of AIG Asian Infrastructure Management II LP as general partner of AIG Asian Infrastructure Fund II LP	–	96,848,750	96,848,750	10.17

Notes:

- (1) Chow Tai Fook Enterprises Limited and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares deemed to be interested by NWD.
- (2) This interest represents 516,561,485 shares deemed to be held by SWL and 3,357,600 shares directly held by Financial Concepts Investment Limited (“FCIL”). SWL is a wholly-owned subsidiary of NWD and FCIL is a non-wholly owned subsidiary of NWD. NWD is deemed to have interest in the shares held by SWL and FCIL.
- (3) Mombasa Limited is a wholly-owned subsidiary of SWL and its interests in the Company is deemed to be held by SWL.

(b) Interests in 10% or more of the nominal value of share capital carrying voting rights of any subsidiary of the Company

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company and save as otherwise disclosed in this circular, the persons (other than a Director or chief executive of the Company or a member of the Group) who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiary of the Company were as follows:

Name of subsidiary	Name of shareholder	Approximate percentage of interest held
Milestone Overseas Limited	Infinity Regent Inc.	16.67%
Milestone Overseas Limited	Sparkle Spirit Limited	16.67%
Two-Way Communications Limited	Stanford Ocean Limited	10%
Two-Way Communications Limited	Magic Pioneer Limited	10%
Apex-Pro Systems Limited	Mr Li Chau-Ming, Peter	14.9%
NoveMed Group Ltd.	Dr Ren Keyong	20%
NoveMed Group Ltd.	Panion Holdings Ltd.	15%
北京新世界威邁特高新技術有限公司	Grand Business Development Limited	45%
Beijing Xintong Media & Cultural Development Co. Ltd.	Mr Tian Tao	29.9%
Beijing Xintong New Vision Media & Advertising Co., Ltd.	Ms Yao Baozhen	20%
Beijing Xintong Sinologue Advertising Co., Ltd.	Ms Yao Baozhen	35%
Beijing Xintong Sinologue Advertising Co., Ltd.	Beijing Zirancao Advertising Co., Ltd.	25%
Beijing Xindu Fengfan Advertising Co., Ltd.	Ms Yao Baozhen	20%
Beijing Xindu Fengfan Advertising Co., Ltd.	Mr Wang Jiquan	10%
Shanghai Xintong Culture & Media Development Co., Ltd.	Ms Xu Xiaoluo	10%
Shanghai Xintong Culture & Media Development Co., Ltd.	Ms Sun Li	10%

Name of subsidiary	Name of shareholder	Approximate percentage of interest held
Shanxi Xintongda Culture Propagation Co., Ltd.	Easin Technology Co., Ltd.	40%
Shanxi Xintongda Culture Propagation Co., Ltd.	Mr Huang Xiaogang	20%
Shanghai Aumedia Culture Propagation Co., Ltd.	Mr Chen Shangwu	13.5%
Beijing Jingdun Xintong Movie and TV Culture Co., Ltd.	Huasheng Audio & Video Publishing House	10%
New World ZGM Limited	Merino Holdings Limited	20%
New World ZGM Limited	Wellington Equities Inc.	15%

LITIGATION

Save as the litigations involving the Company relating to the investment in PrediWave Corporation and certain of its associated companies as disclosed in the joint announcements with NWD dated 27 May 2004 and 22 July 2004, no member of the Group is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against any member of the Group.

SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, each of the following Directors were considered by the Company to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules as set out below:

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Dr Cheng Kar-Shun, Henry	New World Telephone Holdings Limited group of companies	Telecom services	Director
Mr Wong Chi-Chiu, Albert	New World Telephone Holdings Limited group of companies	Telecom services	Director

As the Board is independent from the boards of the aforesaid companies and none of the above Directors can control the Board of the Company, the Group is capable of carrying its businesses independently of, and at arm's length from the businesses of such companies.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and his associates was considered to have interests in any business, apart from his interest in the Company, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

MISCELLANEOUS

- (a) The secretary and the qualified accountant of the Company is Mr Poon Kin-Cheuk, Richard, *CPA, FCCA, CGA*.
- (b) The registered office of the Company is at P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies and its head office and principal place of business is at 2008, 20th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong.
- (c) The branch registrar and transfer office of the Company in Hong Kong is Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The English text of this circular will prevail over the Chinese text.