



JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF NEW WORLD TMT LIMITED BY NEW WORLD DEVELOPMENT COMPANY LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES LAW, CAP. 22 (LAW 3 OF 1961) AS CONSOLIDATED AND REVISED OF THE CAYMAN ISLANDS DESPATCH OF SCHEME DOCUMENT

Financial Adviser to New World Development Company Limited



Standard Chartered Bank (Hong Kong) Limited

Joint Independent Financial Advisers to the Independent Board Committee of New World TMT Limited



The Scheme Document was despatched to the Shareholders on Friday, 16 December 2005.

The respective notices of Court Meeting and Extraordinary General Meeting of NWTMT to be held on Friday, 13 January 2006 are set out in the Scheme Document.

The Independent Shareholders should consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendations in relation to the Proposal as set out in the letter from Commerzbank and Access Capital, the joint independent financial advisers to the Independent Board Committee, before making a decision on the Proposal.

The Independent Board Committee, having considered the factors, reasons and recommendations of Commerzbank and Access Capital that the terms of the Proposal, including the Cancellation Price, are fair and reasonable in so far as the Independent Shareholders are concerned, the details of which are set out in the letter from Commerzbank and Access Capital to the Independent Board Committee contained in the Scheme Document, recommends the Independent Shareholders to vote in favour of the appropriate resolution to approve the Scheme at the Court Meeting and the special resolution to approve and give effect to the reduction of the issued share capital of NWTMT at the Extraordinary General Meeting.

Shareholders and/or potential investors in NWTMT should be aware that the implementation of the Proposal and the Scheme is subject to the conditions as set out in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal and the Scheme may or may not become effective. Subject to all the conditions of the Proposal being fulfilled or waived, as applicable, the Scheme is expected to become effective on Monday, 20 February 2006 (Cayman Islands time). Details of these conditions are set out in the Scheme Document. The Scheme will lapse if it does not become effective on or before 31 May 2006 (or such later date as NWD and NWTMT may agree or, to the extent applicable, as the Grand Court may allow) and the Scheme Shareholders will be notified accordingly by press announcements.

Shareholders and/or potential investors in NWTMT are advised to exercise extreme caution when dealing in the Shares.

Introduction

Reference is made to the joint announcement dated 2 November 2005 (the "First Announcement") by New World Development Company Limited ("NWD") and New World TMT Limited ("NWTMT"), the announcement dated 16 November 2005 (the "Second Announcement") by NWTMT and the joint announcement dated 17 November 2005 by NWD and NWTMT (together with the First Announcement and the Second Announcement, the "Announcements"). Terms defined in the Announcements have the same meaning when used in this announcement unless otherwise defined herein.

Despatch of the Scheme Document

The Scheme Document was despatched to the Shareholders on Friday, 16 December 2005.

The Scheme Document contains, inter alia, further details of the Proposal and the Scheme, the expected timetable, the explanatory memorandum as required under the Rules of the Grand Court, information regarding the NWTMT Group, a letter from the Independent Board Committee, a letter from the joint independent financial advisers to the Independent Board Committee, a notice of Court Meeting and a notice of extraordinary general meeting of NWTMT (the "Extraordinary General Meeting").

Recommendation of the Independent Board Committee

The Independent Board Committee, comprising Dr. Lam Man-Kit, Dominic, The Honourable Shek Lai-Him, Abraham and Mr. Kong Chi-How, Johnson, all being independent non-executive directors of NWTMT, has been established by the board of directors of NWTMT to make a recommendation to the Independent Shareholders in respect of the Proposal.

Commerzbank AG Hong Kong Branch ("Commerzbank") and Access Capital Limited ("Access Capital") have been appointed by the board of directors of NWTMT as the joint independent financial advisers to advise the Independent Board Committee in connection with the Proposal and the Independent Board Committee has approved the appointment of the joint independent financial advisers. The Scheme Document contains, inter alia, a letter from Commerzbank and Access Capital giving their advice and recommendation to the Independent Board Committee on the Proposal.

The Independent Shareholders should consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendation in relation to the Proposal as set out in the letter from Commerzbank and Access Capital before making a decision on the Proposal.

The Independent Board Committee, having considered the factors, reasons and recommendations of Commerzbank and Access Capital that the terms of the Proposal, including the Cancellation Price, are fair and reasonable in so far as the Independent Shareholders are concerned, the details of which are set out in the letter from Commerzbank and Access Capital to the Independent Board Committee contained in the Scheme Document, recommends the Independent Shareholders to vote in favour of the appropriate resolution to approve the Scheme at the Court Meeting and the special resolution to approve and give effect to the reduction of the issued share capital of NWTMT at the Extraordinary General Meeting.

Actions to be taken by the Shareholders are set out in the Scheme Document.

Indebtedness

At the close of business on 31 October 2005, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of the Scheme Document, the NWTMT Group had outstanding borrowings of approximately HK\$3,138 million comprising unsecured bank borrowings of approximately HK\$19 million, secured bank borrowings of approximately HK\$520 million, other secured borrowing of approximately HK\$4 million, other unsecured borrowing due to a fellow subsidiary of approximately HK\$2,550 million and other unsecured borrowings due to minority shareholders of certain subsidiaries of approximately HK\$45 million.

Meetings

The Court Meeting and the Extraordinary General Meeting (collectively, the "Meetings") will be held at 10:30 a.m. and 11:00 a.m. (or so soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively on Friday, 13 January 2006 in Concord Room, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong. Notices of the Meetings are set out in the Scheme Document.

A further announcement will be made by NWTMT in relation to, inter alia, the voting results of the Court Meeting and the Extraordinary General Meeting.

Closure of register of members of NWTMT

For the purpose of determining the entitlements of the Independent Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the Extraordinary General Meeting, the register of members of NWTMT will be closed from Tuesday, 10 January 2006 to Friday, 13 January 2006 (both dates inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the Extraordinary General Meeting, all transfers accompanied by the relevant share certificates must be lodged with NWTMT's branch share registrar in Hong Kong, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 9 January 2006. With effect from 3 January 2006, NWTMT's branch share registrar in Hong Kong, Standard Registrars Limited, will be relocated to 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

Provided that the Proposal is approved, the last day for dealing in the Shares on the Stock Exchange will be Tuesday, 14 February 2006. In such event, the register of members of NWTMT will be closed from Monday, 20 February 2006. To qualify for entitlements under the Scheme, all transfers accompanied by the relevant share certificates must be lodged with the NWTMT's branch share registrar in Hong Kong by no later than 4:00 p.m. on Friday, 17 February 2006.

Conditions of the Proposal

Shareholders and/or potential investors in NWTMT should be aware that the implementation of the Proposal and the Scheme is subject to the conditions as set out in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal and the Scheme may or may not become effective. Subject to all the conditions of the Proposal being fulfilled or waived, as applicable, the Scheme is expected to become effective on Monday, 20 February 2006 (Cayman Islands time). Details of these conditions are set out in the Scheme Document. The Scheme will lapse if it does not become effective on or before 31 May 2006 (or such later date as NWD and NWTMT may agree or, to the extent applicable, as the Grand Court may allow) and the Scheme Shareholders will be notified accordingly by press announcements.

The listing of the Shares on the Stock Exchange will be withdrawn if the Scheme is implemented and be maintained in the event that the Scheme is not approved or is withdrawn or lapses.

Shareholders and/or potential investors in NWTMT are advised to exercise extreme caution when dealing in the Shares.

Expected Timetable

Latest time for lodging transfers of the Shares
to qualify for entitlement to attend and vote at the Court Meeting
and the Extraordinary General Meeting 4:00 p.m. on Monday, 9 January 2006

Register closed for determination of entitlements
of the Independent Shareholders to attend and vote at
the Court Meeting and of the Shareholders to attend and
vote at the Extraordinary General Meeting (*Note 1*) Tuesday, 10 January 2006 to
Friday, 13 January 2006
(both dates inclusive)

Latest time for lodging forms of proxy in respect of (*Notes 2 and 4*):

Court Meeting 10:30 a.m. on Wednesday, 11 January 2006
Extraordinary General Meeting 11:00 a.m. on Wednesday, 11 January 2006

Suspension of dealings in the Shares 9:30 a.m. on Friday, 13 January 2006

Court Meeting (*Note 3*) 10:30 a.m. on Friday, 13 January 2006

Extraordinary General Meeting (*Note 3*) 11:00 a.m. on Friday, 13 January 2006
or so soon thereafter as the Court Meeting
shall have been concluded or adjourned

Announcement of the results of the Meetings published on the Stock Exchange website	7:00 p.m. on Friday, 13 January 2006
Announcement of the results of the Meetings in The Standard and Hong Kong Economic Times	Monday, 16 January 2006
Resumption of dealings in the Shares	9:30 a.m. on Monday, 16 January 2006
Hearing of NWTMT's application to the Grand Court to dispense with settling of a list of creditors (<i>Note 4</i>)	Friday, 20 January 2006
Last day for dealings in the Shares	Tuesday, 14 February 2006
Latest time for lodging transfers of the Shares to qualify for entitlements under the Scheme	4:00 p.m. on Friday, 17 February 2006
Book close date (<i>Note 5</i>)	Monday, 20 February 2006
Record Time	5:00 p.m. on Monday, 20 February 2006
Grand Court hearing of the petition to sanction the Scheme and to confirm the reduction of capital of NWTMT (<i>Note 4</i>)	Monday, 20 February 2006
Effective Date (<i>Notes 4 and 6</i>)	Monday, 20 February 2006
Announcement of the Effective Date and withdrawal of the listing of the Shares on the Stock Exchange in The Standard and Hong Kong Economic Times	Tuesday, 21 February 2006
Withdrawal of the listing of the Shares on the Stock Exchange (<i>Note 6</i>)	9:30 a.m. on Tuesday, 21 February 2006
Cheques for payment under the Scheme to be despatched on or before	Thursday, 2 March 2006

Notes:

- The registers of members of NWTMT kept in the Cayman Islands and Hong Kong respectively will be closed during such period for the purpose of determining entitlements of the Independent Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the Extraordinary General Meeting. This book close period is not for determining entitlements under the Scheme.
- Forms of proxy should be lodged with the principal place of business of NWTMT in Hong Kong, at 2008, 20th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong, as soon as possible and in any event not later than the relevant times and dates stated above. In the case of the pink form of proxy in respect of the Court Meeting, it may be handed to the chairman of the Court Meeting at the Court Meeting if it is not so lodged. In order to be valid, the white form of proxy for the Extraordinary General Meeting must be lodged not later than the time and date stated above. Completion and return of a form of proxy for the Court Meeting will not preclude an Independent Shareholder from attending and voting in person at that Meeting. Completion and return of a form of proxy for the Extraordinary General Meeting will not preclude a Shareholder from attending and voting in person at that Meeting. In each such event, the returned form of proxy will be deemed to have been revoked. In the case of any beneficial owner of Shares ("Beneficial Owner") whose Shares are held upon trust by and registered in the name of a nominee, trustee, depository or any other authorised custodian or third party ("Registered Owner"), such Beneficial Owner should contact the Registered Owner and provide him/her/it with instructions or make arrangements with him/her/it in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the Extraordinary General Meeting. Such instructions and/or arrangements should be given or made in advance of the aforementioned latest time for the lodgement of forms of proxy in respect of the Court Meeting and the Extraordinary General Meeting in order to provide the Registered Owner with sufficient time to accurately complete his/her/its proxy and to submit it by the deadline stated above. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owners at a particular date or time in advance of the aforementioned latest time for the lodgement of forms of proxy in respect of the Court Meeting and the Extraordinary General Meeting, then any such Beneficial Owner should comply with the requirements of the Registered Owner.

Any Beneficial Owner whose Shares are deposited in Central Clearing and Settlement System ("CCASS") operated by Hong Kong Securities Clearing Company Limited and registered under the name of HKSCC Nominees Limited must, unless such Beneficial Owner is a person admitted to participate in CCASS as an investor participant (the "Investor Participant"), contact their broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS participant ("Other CCASS Participant") regarding voting instructions to be given to such persons if they wish to vote in respect of the Scheme of Arrangement. The same timeframes for contacting their broker, custodian, nominee or other relevant person as set out in the previous paragraph apply to such Beneficial Owners. The procedure for voting in respect of the Scheme of Arrangement by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the "General Rules of CCASS" and the "CCASS Operational Procedures".

- The Court Meeting and the Extraordinary General Meeting will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong at the times and dates specified above. Please see the notice of Court Meeting and the notice of Extraordinary General Meeting set out in the Scheme Document for details.
- All references in this announcement and the Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected dates for the hearing of NWTMT's application to the Grand Court to dispense with settling of a list of creditors, the Grand Court hearing of the petition to sanction the Scheme and to confirm the reduction of capital of NWTMT and the Effective Date, which are references to the relevant dates in the Cayman Islands. Cayman Islands time is 13 hours behind Hong Kong time.
- The registers of members of NWTMT kept in the Cayman Islands and Hong Kong respectively will be closed on that date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- The Scheme will become effective when it is sanctioned (with or without modifications) by the Grand Court and a copy of the Grand Court order is delivered to the Registrar of Companies in the Cayman Islands for registration. Registration is expected to take place in the morning on Monday, 20 February 2006 (Cayman Islands time) (which will be the evening on Monday, 20 February 2006 (Hong Kong time)). However, in the event that not all of the conditions have been fulfilled (or, as applicable, waived) by Monday, 20 February 2006, being the proposed date of the Grand Court hearing of the petition to sanction the Scheme and to confirm the reduction of capital of NWTMT, the timetable of events thereafter will be changed. Independent Shareholders should note the conditions of the Proposal set out in the explanatory memorandum in the Scheme Document. If the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn with effect from 9:30 a.m. on Tuesday, 21 February 2006.

It should be noted that the above timetable, which is based on the assumption that the Scheme will be approved by the Independent Shareholders and mainly dependent on the availability of the dates for the Grand Court to hear the proceedings relating to the Scheme, is subject to change. Further announcements will be made in the event that there is any change.

By Order of the Board of
New World Development Company Limited
Leung Chi-Kin, Stewart
Company Secretary

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

Hong Kong, 16 December 2005

As at the date of this announcement, the board of directors of NWD comprises: (a) executive directors: Dato' Dr. CHENG Yu-Tung, Dr. CHENG Kar-Shun, Henry, Dr. SIN Wai-Kin, David, Mr. LIANG Chong-Hou, David and Mr. LEUNG Chi-Kin, Stewart; (b) non-executive directors: Mr. CHENG Yue-Pui, Mr. CHENG Kar-Shing, Peter, Mr. CHOW Kwai-Cheung, Mr. HO Hau-Hay, Hamilton and Mr. LIANG Cheung-Biu, Thomas and (c) independent non-executive directors: Lord SANDBERG, Michael, Mr. YEUNG Ping-Leung, Howard, Dr. CHA Mou-Sing, Payson, JP, Mr. CHA Mou-Zing, Victor (as alternate director to Dr. CHA Mou-Sing, Payson) and Mr. LEE Luen-Wai, John, JP.

The directors of NWD jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the NWTMT Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that relating to the NWTMT Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to the NWTMT Group) misleading.

As at the date of this announcement, the board of directors of NWTMT comprises: (i) executive directors: Dr. CHENG Kar-Shun, Henry, Mr. WONG Chi-Chiu, Albert and Dr. WAI Fung-Man, Norman; (ii) non-executive directors: 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) independent non-executive directors: Dr. LAM Man-Kit, Dominic, The Honourable SHEK Lai-Him, Abraham and Mr. KONG Chi-How, Johnson.

The directors of NWTMT jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to NWD and its subsidiaries (except the NWTMT Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that relating to NWD and its subsidiaries (except the NWTMT Group)) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to NWD and its subsidiaries (except the NWTMT Group)) misleading.

* For identification purposes only.