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NEW TIMES GROUP HOLDINGS LIMITED (Stock Code: 166)

新時代集團控股有限公司*

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

On 29th March, 2004, the Company entered into a sale and purchase agreement to acquire, or procure its wholly-owned subsidiary to acquire, from the Vendor the entire issued share capital of, and the benefit of a shareholder's loan due from, Smart Wave at cash consideration of HK\$55 million. In addition, the Vendor shall be entitled to receive HK\$10 million if at least half of the total gross floor area of the completed properties in the Industrial Park has been validly sold or rented out. The Vendor is independent of and not connected with any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them.

Smart Wave was incorporated on 5th February, 2003. Smart Wave is an investment holding company whose principal asset is the equity interest in a wholly-owned subsidiary, Wei Qiu Subsidiary. Wei Qiu Subsidiary is a property holding company whose principal asset is the Land and the development right thereon. An industrial complex comprising factory building, staff quarters and other ancillary facilities would be built on the Land. An independent Contractor would provide construction services and funding for the development project over the Land pursuant to the Construction Contracts entered into between Wei Qiu Subsidiary and the independent Contractor. The Company intends to sell and/or rent out the completed properties over the Land. So far as the Company is aware, the Contractor is independent of and not connected with the Vendor or any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them.

The Acquisition constitutes a discloseable transaction of the Company under the Old Listing Rules. A circular will be sent to the Shareholders as soon as possible.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:09 p.m. on Tuesday, 30th March, 2004 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 6th April, 2004.

SALE AND PURCHASE AGREEMENT DATED 29TH MARCH, 2004

Parties

Purchaser: New Times Group Holdings Limited, the shares of which are listed on the main board of the Stock Exchange

Vendor: Mr. Hou Feng Wei, who is independent of and not connected with any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them

Assets to be acquired

The Company agrees to acquire, or procure its wholly-owned subsidiary to acquire, and the Vendor agrees to sell, the Sale Shares and the Debt free from all Encumbrances and with all rights now and hereafter attaching thereto including but not limited to all dividends paid, declared or made in respect of the Sale Shares at any time on or after the date of the Agreement.

The Sale Shares represent the entire issued share capital of Smart Wave.

The Debt will represent all outstanding shareholder's loan or liabilities and debts owing or incurred by Smart Wave to the Vendor at Completion. As at the date of the Agreement, the outstanding balance of the shareholder's loan due from Smart Wave to the Vendor was approximately HK\$33.7 million.

Upon Completion, the Vendor who is the sole director of Smart Wave will resign and the Group will nominate such number of new directors, the exact amount has yet to be determined, to the board of Smart Wave. Smart Wave will upon Completion become a wholly-owned subsidiary of the Company and its accounts will be consolidated into the Group's financial statements.

Information on the Smart Wave Group and the Land

Smart Wave was incorporated on 5th February, 2003. Smart Wave is an investment holding company whose principal asset is the equity interest in a wholly owned subsidiary, Wei Qiu Subsidiary. Wei Qiu Subsidiary became a wholly-owned subsidiary of Smart Wave in May 2003. Wei Qiu Subsidiary is a property holding company whose principal asset is the Land and the development right thereon. Wei Qiu Subsidiary owns the part and parcel of the industrial land of approximately 60,001.5 sq.m. situated at 深圳市寶安區觀瀾鎮福民村茜坑老村 (Qian Keng Lao Cun, Fu Min Cun, Guan Lan Zhen, Bao An Qu, Shenzhen, PRC) (Land Lot no. A904-0047) (the "Land"). The land use rights of the Land are held by Wei Qiu Subsidiary for a term of 50 years commencing from 9th January, 1993 and expiring on 8th January, 2043. Wei Qiu Subsidiary obtained the Real Estate Ownership Certificate of the Land on 6th May, 2003. Pursuant to the 深圳市土地使 用 權 出 讓 合 同 書 (Contract for Transfer of Use of Land in Shenzhen) dated 21st January, 1999 and 深圳市土地使 用 權 出 讓 補 充 合 同 書 (Supplemental Contract for Transfer of Use of Land in Shenzhen) dated 20th October, 2003 entered into between Shenzhen Land Bureau (深圳市規劃與國土資源局) and Wei Qiu Subsidiary, an industrial complex comprising factory building, staff quarters and other ancillary facilities (the "Industrial Park") with a total gross floor area of 107,700 square meters can be built on the Land.

Wei Qiu Subsidiary has entered into a construction contract dated 2nd February, 2004 and a supplemental construction contract dated 3rd February, 2004 with a contractor who is independent of and not connected with the Vendor, any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them. Pursuant to the Construction Contracts, the Contractor agrees to construct the Industrial Park on the Land and provide funding therefor. The Company intends to sell and/or rent out the completed properties over the Land. The Contractor would recover the construction fee out of the net proceeds from the sale or rental generated from the Industrial Park in the 18-month period from completion of construction of the Industrial Park. In the event that the net proceeds from the sale or rental generated from the Industrial Park over the aforesaid period is insufficient to repay the Contractor the full amount of the construction fee, the shortfall would be satisfied by the transfer of such units in the Industrial Park with an equivalent market value (calculated on the basis of the then prevailing market price of the Industrial Park) to the Contractor in full and final settlement of any liability of Wei Qiu Subsidiary towards the Contractor in relation to the construction fee.

Pursuant to the Construction Contracts, the Contractor shall, at no extra fee, act as the sales agent for the developed properties over the Land.

According to the unaudited consolidated management accounts of the Smart Wave Group made up for the period from 5th February, 2003 (its date of incorporation) to 31st December, 2003 (with the value for the Land being adjusted to HK\$40 million, reason for such adjustment is set out in the below paragraph headed “Conditions of the Agreement”), Smart Wave recorded an unaudited loss for the period of approximately HK\$9.3 million. The unaudited consolidated net tangible assets of Smart Wave as at 31st December, 2003 was approximately HK\$1.8 million, which has accounted for a shareholder’s loan due to the Vendor of approximately HK\$33.7 million as at that date.

According to the unaudited accounts of Wei Qiu Subsidiary for the year ended 31st December, 2003 (which were prepared in accordance with the generally accepted accounting principles in PRC), Wei Qiu Subsidiary recorded an unaudited loss for the year of approximately RMB1.1 million (or approximately HK\$1.0 million). The unaudited net tangible assets of Wei Qiu Subsidiary as at 31st December, 2003 was approximately RMB12.0 million (or approximately HK\$11.3 million), with the value of the Land adjusted from its carrying value of approximately RMB30.5 million (or approximately HK\$28.8 million) to the RMB equivalent of HK\$40 million. Based on the unaudited accounts of Wei Qiu Subsidiary for the year ended 31st December, 2002 (which were prepared in accordance with the generally accepted accounting principles in PRC), Wei Qiu Subsidiary recorded unaudited loss of approximately RMB318,000 (or approximately HK\$300,000) for the year ended 31st December, 2002. Wei Qiu Subsidiary incurred no tax liabilities for the two years ended 31st December, 2003. The accounts of Wei Qiu Subsidiary has been consolidated into Smart Wave’s financial statements since May, 2003 when Wei Qiu Subsidiary became a wholly-owned subsidiary of Smart Wave.

Conditions of the Agreement

Completion is subject to the following conditions being fulfilled and remaining satisfied as at Completion or waived by the Company:

- (a) completion to the satisfaction of the Company of its due diligence review of Smart Wave and Wei Qiu Subsidiary (including but not limited to, review of legal, financial and commercial aspects);
- (b) the production by the Vendor of a legal opinion on PRC laws (in the form and with the contents to the satisfaction of the Company) in respect of the validity of the title to the Land, the Construction Contracts and other matters relating to Wei Qiu Subsidiary to be issued by a PRC legal adviser acceptable to the Company;
- (c) the production by the Vendor of a legal opinion on BVI laws (in the form and with the contents to the satisfaction of the Company) in respect of the affairs of Smart Wave to be issued by a BVI legal adviser acceptable to the Company;
- (d) the production by the Vendor of a valuation report of the Land which indicates that the Land is valued as at 30th September, 2004 (or such later date as may be agreed between the parties to the Agreement) at not less than HK\$40 million to be issued by a valuer acceptable to the Company;
- (e) the obtaining by the Vendor, Smart Wave and Wei Qiu Subsidiary of all necessary approval or consents from the relevant organisations, government or regulatory bodies which are required to be obtained for the implementation of the transaction contemplated under the Agreement;

- (f) the obtaining by the Company of all necessary approval or consents from the relevant organisations, government or regulatory bodies which are required to be obtained for the implementation of the transaction contemplated under the Agreement; and
- (g) the Vendor has not committed any material breaches of the Warranties given by him in respect of Smart Wave and Wei Qiu Subsidiary.

Completion shall take place one month after the fulfillment or waiver of all the Conditions or such other day as may be agreed by the Company and the Vendor in writing.

The Vendor shall use best effort to procure fulfilment of the above Conditions (b) to (e). The Company may at its absolute discretion at any time waive in writing any of the Conditions, except Condition (f). In the event that any of the Conditions shall not have been fulfilled or waived prior to 30th September, 2004 (or such later date as the parties to the Agreement may agree in writing), the Agreement shall lapse and no party to the Agreement shall have any claim against or liability to the other parties, save in respect of any antecedent breaches of the Agreement. Where non-fulfilment is due to the material default of the Company, the Vendor is entitled to forfeit the Deposit of HK\$15 million (as defined below) with interest thereon as liquidated damages. In the event that the non-fulfilment is due to other circumstances, the Deposit will be refunded to the Company with interest thereon calculated at 1% over the prime lending rate per annum quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time.

In the event that the Acquisition cannot be completed, the Company will be refunded the Deposit with interest thereon calculated at 1% over the prime lending rate per annum quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time.

Amount payable to the Vendor

Amount of Consideration

- (i) for the Debt

The cash consideration for the Debt is HK\$33,748,022.89, which is fixed on a dollar-to-dollar basis.

- (ii) for the Sale Shares

The cash consideration for the Sale Shares is HK\$21,251,977.11.

Bonus

The Agreement provides that the Vendor shall be entitled to receive HK\$10 million if at least half of the total gross floor area of the completed properties in the Industrial Park has been validly sold or rented out.

Basis of the Consideration and Bonus

The aggregate consideration for the Debt and the Sale Shares of HK\$55 million and the bonus of HK\$10 million have been agreed between the parties after arm's length negotiations. In agreeing upon the aforesaid sums, the Company has considered the following factors:

- (1) the unaudited consolidated net tangible asset value of Smart Wave as at 31st December, 2003 of approximately HK\$1.8 million, after adjusting for the valuation of the Land to HK\$40 million;
- (2) the dollar amount of the outstanding shareholder's loan due from Smart Wave to the Vendor of approximately HK\$33.7 million as at 31st December, 2003;
- (3) the development potential of the Land. The management of the Group is optimistic about the PRC property market, particularly the industrial property sector, in view of the fast economic growth in the area and its ability to attract industrialists to open factories in the area. Please also see the below paragraph headed "REASONS FOR THE ACQUISITION" for further information; and
- (4) the benefit of the Construction Contracts which means the Group would not be required to contribute funding for the development of the Industrial Park to be constructed over the Land, which will be funded by the Contractor pursuant to the Construction Contracts.

Payment

The Aggregate Consideration shall be payable in cash or by way of cashier order according to the following time-table:

- (i) an amount of HK\$15,000,000 (the "Deposit") to be paid to the Vendor after signing of the Agreement and on or before 30th June, 2004; and
- (ii) an amount of HK\$40,000,000 will be paid to the Vendor upon Completion.

Source of funding

The aggregate consideration for the Debt and the Sale Shares will be financed by internal resources of the Group.

REASONS FOR THE ACQUISITION

The Group is principally engaged in trading of precision components processing equipment, PRC property investments and other investment activities.

As mentioned in the Group's interim report for the period ended 30th September, 2003, the management aims to continue to look into the PRC property market for potential property investments. The management sees great potential in the PRC property market which price would grow with the increase in domestic gross product in PRC. The management also believes that the abundant manpower supply at competitive price in PRC and its improving infrastructure would continue to attract industrialists, hence enhancing the demand for quality industrial complex. The Acquisition would enable the Group to tap this opportunity. With the Construction Contracts in place and the funding arrangement for the development project over the Land as provided therein, the Group needs not provide funding for the development project over the Land which is in the interest of the Group.

The management believes in the development potential of the Land and is optimistic that the Acquisition would bring profit to the Group in due course. On this basis, the Board considers the Acquisition is in the interest of the Company. The Board also considers the terms for the Acquisition fair and reasonable to Shareholders.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under the Old Listing Rules. A circular containing further information of the Acquisition will be despatched to the Shareholders as soon as practicable.

The Board has noted the increase in the turnover of the Shares on 30th March, 2004 and wish to state that it is not aware of any reasons for such increase.

The Board also confirms that save for the Acquisition, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Revised Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Revised Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:09 p.m. on Tuesday, 30th March, 2004, pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 6th April, 2004.

The Board as of the date of this announcement comprises six Directors, including Mr. Cheong Tin Yau as the Chairman, Mr. Liu Ji Cheng as the Deputy Chairman, Mr. Lam Kwan Sing as the Executive Director, Ms. Huang Ning as the non-executive Director, Messrs Lo Kwok Hung, John and Lau Man Tak as the independent non-executive Directors.

DEFINITIONS

“Acquisition”	the proposed acquisition of the Sale Shares and the Debt by the Company pursuant to the terms and conditions of the Agreement
“Aggregate Consideration”	the aggregate consideration for the Sale Shares and the Debt of HK\$55 million
“Agreement”	the conditional sale and purchase agreement dated 29th March, 2004 entered into between the Company and the Vendor relating to the sale and purchase of the Sale Shares and the Debt
“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for business
“BVI”	British Virgin Islands

“Company”	New Times Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 166)
“Completion”	completion of the Agreement with performance by the Vendor and the Company of their respective obligations in accordance with the provisions of the Agreement
“Conditions”	the conditions precedent to Completion as set out in the paragraph headed “Conditions of the Agreement”
“Construction Contracts”	the construction contract dated 2nd February, 2004 (as amended by a supplemental construction contract dated 3rd February, 2004) entered into between the Contractor and Wei Qiu Subsidiary in respect of the development project over the Land
“Contractor”	an independent party who would provide construction services and funding for the development project over the Land pursuant to the Construction Contracts
“Debt”	all liabilities and debt owing or incurred by Smart Wave to the Vendor immediately prior to Completion
“Director(s)”	director(s) of the Company
“Encumbrance”	any mortgage, charge, pledge, lien, hypothecation, rights of pre-emption or any other third party right or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and “Encumber” and cognate expressions shall be construed accordingly
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Old Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange prior to the implementation of the Revised Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange which became effective on 31st March, 2004

“Sale Shares”	the 100 shares in the issued share capital of Smart Wave, representing the entire issued share capital of Smart Wave, to be bought and sold on the terms of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holders of Share(s)
“Smart Wave”	Smart Wave Limited, an investment holding company incorporated in the British Virgin Islands with limited liability on 5th February, 2003
“Smart Wave Group”	the group of companies consisting of Smart Wave and Wei Qiu Subsidiary
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Hou Feng Wei, who is not a connected person (as defined under the Old Listing Rules) of the Company
“Warranties”	means the warranties, representations and undertakings given by the Vendor under the Agreement
“Wei Qiu Subsidiary”	Wei Qiu Investment (Shenzhen) Limited Company 偉球實業(深圳)有限公司, a wholly foreign-owned enterprise established in the PRC on 21st January, 1992
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of PRC

Note: The figures in RMB are translated at the rate of HK\$1.0 = RMB1.06 throughout this announcement for indication purpose only.

By Order of the Board
New Times Group Holdings Limited
Mr. Lam Kwan Sing
Executive Director

Hong Kong, 2nd April, 2004

* *For identification purposes only*

“Please also refer to the published version of this announcement in China Daily”.