新世界移動控股有限公司
New World Mobile Holdings Limited

NEW WORLD MOBILE HOLDINGS LIMITED
新世界移動控股有限公司

(Incorporated in Cayman Islands with limited liability)
(Stock code: 862)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

The board of directors (the "Board") of New World Mobile Holdings Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2006 as follows. The unaudited consolidated results below have been reviewed by PricewaterhouseCoopers in accordance with Statement of Auditing Standard 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2006

	Note	Unaudited Six months ended 31 December **2006** *HK$'000*	2005 *HK$'000* (As restated)
Continuing operations:			
Turnover	*3*	**9,483**	1,559
Cost of sales		**(5,277)**	(1,188)
Gross profit		**4,206**	371
Other income	*4*	**597**	180
Other gains	*5*	**774**	7,523
Selling expenses		**(2,120)**	(681)
Administrative expenses		**(21,414)**	(7,590)
Operating loss before finance costs	*6*	**(17,957)**	(197)
Finance costs	*7*	**(52,763)**	(23,819)
Operating loss		**(70,720)**	(24,016)
Share of results of associated companies		**62,577**	–
Loss before income tax		**(8,143)**	(24,016)
Income tax expense	*8*	**–**	–
Loss from continuing operations		**(8,143)**	(24,016)
Discontinued operations:			
Loss from discontinued operations	*9*	**–**	(21,632)
Loss attributable to shareholders		**(8,143)**	(45,648)
Dividends	*10*	**–**	–
Basic loss per share			
– Continuing operations	*11*	**(HK$0.09)**	(HK$0.28)
– Discontinued operations	*11*	**N/A**	(HK$0.25)
		(HK$0.09)	(HK$0.53)
Diluted loss per share	*11*	**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2006

	Note	**Unaudited As at 31 December 2006** *HK$'000*	Audited As at 30 June 2006 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,870**	6,183
Investments in associated companies		**2,188,086**	2,142,737
Intangible assets		**–**	–
Total non-current assets		**2,193,956**	2,148,920
Current assets			
Trade receivables	*12*	**2,123**	4,266
Prepayments and other receivables		**2,467**	1,368
Amount due from an associated company		**–**	113,328
Amount due from a related company		**761**	813
Cash and bank balances		**19,718**	27,691
Total current assets		**25,069**	147,466
Total assets		**2,219,025**	2,296,386
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**18,510**	16,154
Other reserves		**(81,849)**	(82,905)
Accumulated losses		**(38,681)**	(30,538)
Total equity		**(102,020)**	(97,289)
LIABILITIES			
Non-current liabilities			
Loans from a fellow subsidiary		**–**	278,024
Promissory note issued to a fellow subsidiary		**–**	886,749
Convertible bond		**–**	28,261
Subscription note		**–**	1,178,008
Total non-current liabilities		**–**	2,371,042
Current liabilities			
Trade payables	*13*	**228**	809
Accrued charges, other payables, deposits received and deferred income		**10,941**	15,779
Amounts due to fellow subsidiaries		**12,453**	420
Amount due to an associated company		**–**	5,625
Loans from a fellow subsidiary		**180,047**	–
Promissory note issued to a fellow subsidiary		**886,749**	–
Convertible bond		**28,269**	–
Subscription note		**1,202,358**	–
Total current liabilities		**2,321,045**	22,633
Total liabilities		**2,321,045**	2,393,675
Total equity and liabilities		**2,219,025**	2,296,386
Net current (liabilities)/assets		**(2,295,976)**	124,833
Total assets less current liabilities		**(102,020)**	2,273,753

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General information

On 31 March 2006, New World Mobile Holdings Limited (the "Company") disposed of its entire interests in New World PCS Holdings Limited ("NWPCS Holdings") and its subsidiaries (hereinafter collectively referred to as the "NWPCS Group") in exchange for the acquisition of 23.6% interests of the issued share capital of CSL New World Mobility Limited ("CSL NWM") and its subsidiaries (hereinafter collectively referred to as the "CSL NWM Group" which represents the enlarged group combining Telstra CSL Limited and NWPCS Group).

Before 31 March 2006, the Company and its subsidiaries (hereinafter collectively referred to as the "Group") was principally engaged in offering mobile telecommunications services including voice and data services tailored to the specific needs of individual customer groups via mobile technology in Hong Kong and technology-related business including mobile Internet services in Mainland China. After 31 March 2006, the Group is principally engaged in technology related business including mobile Internet services in Mainland China and holds 23.6% interest in the CSL NWM Group which offers mobile communications services in Hong Kong.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Company's issued shares are listed on the Stock Exchange of Hong Kong Limited.

2. Basis of preparation and accounting policies

This unaudited condensed consolidated interim financial information for the half-year ended 31 December 2006 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 30 June 2006.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2006, as described in the annual financial statements for the year ended 30 June 2006.

In the year ended 30 June 2006, the Group early adopted the amendment to Hong Kong Accounting Standard 21 "The effects of changes in foreign exchange rates – Net investment in a foreign operation". For the six months ended 31 December 2006, the Group has adopted all the remaining new standards, amendments to standards and interpretations that are currently in issue and effective for the accounting periods beginning on or after 1 January 2006. However, the adoption of these new standards does not have any significant effect on the accounting policies or results and financial position of the Group.

Certain new standards, amendments and interpretations to published standards that are mandatory for accounting periods beginning on or after 1 July 2007 but which the Group has not yet adopted, are as follows:

HKAS 1 Amendment	Capital disclosures
HKFRS 7	Financial instruments: disclosures
HKFRS 8	Operating Segments
HK (IFRIC)-Int 10	Interim reporting and impairment
HK (IFRIC)-Int 11: HKFRS 2	Group and Treasury Share Transactions

The Group has already commenced an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to state whether they would have a significant impact on its results and financial position.

3. Turnover and segment information

	Unaudited Six months ended 31 December 2006 HK$'000	2005 HK$'000
Technology related services	**9,483**	1,492
Gross rental income from an investment property	**–**	67
	9,483	1,559

For the six months ended and as at 31 December 2006, more than 90% of the Group's turnover, segment results, segment assets and liabilities were attributable to the provision of technology related services in Mainland China. Accordingly, no analysis by either business or geographical segment is presented.

Primary reporting format – business segments

	Unaudited Six months ended 31 December 2005			
	Continuing operations			Discontinued operations
	Technology related services *HK$'000*	Logistics services *HK$'000*	Total *HK$'000*	Mobile communications services *HK$'000* (As restated)
Turnover	1,559	–	1,559	986,938
Segment results	(5,180)	(92)	(5,272)	4,185
Other income			180	556
Unallocated corporate expenses			(2,628)	–
Reversal of impairment on investments in associated companies			7,523	–
Operating (loss)/profit			(197)	4,741
Finance costs			(23,819)	(21,793)
Loss before income tax			(24,016)	(17,052)
Income tax expense			–	(4,580)
Loss for the period			(24,016)	(21,632)

Other segment item included in the income statement is as follows:

	Unaudited			
	Six months ended 31 December 2005			
	Continuing operations			Discontinued operations
	Technology related services	**Logistics services**	**Total**	**Mobile communications services**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Depreciation	255	65	320	132,390

The segment assets and liabilities at 30 June 2006 and capital expenditure for the six months ended 31 December 2005 are as follows:

	Technology related services Unaudited	**Mobile commu-nications services Unaudited**	**Total Unaudited**
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	11,292	–	11,292
Investments in associated companies	–	2,142,737	2,142,737
Unallocated assets			142,357
			2,296,386
Segment liabilities	6,458	–	6,458
Unallocated liabilities			2,387,217
			2,393,675
Capital expenditure	7,001	89,073	96,074

Segment assets consist primarily of property, plant and equipment, trade receivables, prepayments and other receivables. They exclude cash and cash equivalents for the corporate use.

Segment liabilities comprise operating liabilities. They exclude non-current liabilities.

Secondary reporting format – geographical segments

The Group's two business segments operate in two main geographical areas.

	Six months ended 31 December 2005 Unaudited *HK$'000*
Turnover	
Mainland China – Continuing operations	1,559

Turnover are allocated based on the places/countries in which customers are located.

	As at 30 June 2006 Audited *HK$'000*
Total assets	
Hong Kong	207
Mainland China	11,085
Investments in associated companies	2,142,737
Unallocated assets	142,357
	2,296,386

The assets are allocated based on where the assets are located.

	Six months ended 31 December 2005 Unaudited *HK$'000*
Capital expenditure	
Hong Kong – Discontinued operations	89,073
Mainland China – Continuing operations	7,001
	96,074

Capital expenditure is allocated based on where the assets are located.

4. Other income

	Unaudited Six months ended 31 December	
	2006	2005
	HK$'000	*HK$'000*
Bank interest income	**597**	180

5. Other gains

	Unaudited Six months ended 31 December	
	2006	2005
	HK$'000	*HK$'000*
Recovery of doubtful debts	**769**	–
Gain on disposal of property, plant and equipment	**5**	–
Reversal of impairment on investments in associated companies	**–**	7,523
	774	7,523

6. Operating loss before finance costs

The following items have been charged to the operating loss before finance costs:

	Unaudited Six months ended 31 December	
	2006	2005
	HK$'000	*HK$'000*
Auditors' remuneration		
– audit services	**453**	200
– non-audit services	**200**	–
Depreciation of property, plant and equipment	**759**	320
Staff costs, including directors' emoluments	**10,868**	3,453

7. Finance costs

	Unaudited Six months ended 31 December	
	2006	2005
	HK$'000	*HK$'000*
Interest on loans from a fellow subsidiary	**5,476**	–
Interest on promissory note issued to a fellow subsidiary	**22,501**	–
Interest on convertible bond	**436**	162
Interest on subscription note	**24,350**	23,657
	52,763	23,819

8. Income tax expense

Taxation on profits in Mainland China has been calculated on the estimated assessable profits at tax rates ranging from 15% to 33% (2005: 15% to 33%). Hong Kong profits tax has been calculated at 17.5% (2005: 17.5%).

No provision for Mainland China taxation and Hong Kong profits tax has been made for the period as the Company and a number of its subsidiaries have no estimated assessable profit for the period and certain subsidiaries have sufficient tax losses brought forward to offset their estimated assessable profits for the period.

Share of taxation of associated companies for the six months ended 31 December 2006 of HK$15,857,000 (2005: HK$7,221,000) is included in the consolidated income statement as share of results of associated companies.

9. Discontinued operations

On 8 December 2005, the Group entered into a merger agreement and amendment agreements pursuant to which the Group disposed of its entire interests in the NWPCS Group to Telstra CSL Limited which has changed its name to CSL NWM, and made a cash payment of HK$244,024,000 in exchange for the acquisition of 23.6% of the issued share capital of the CSL NWM Group representing the enlarged group combining Telstra CSL Limited and the NWPCS Group, and an amount due from CSL NWM, the associated company, of HK$113,328,000 (the "Merger Transaction"). The Merger Transaction was approved by the shareholders of the Company at the Extraordinary General Meeting on 24 March 2006 and completed on 31 March 2006. Hence, the NWPCS Group ceased to be subsidiaries of the Group and became part of the CSL NWM Group, being the associated companies of the Group after the Merger Transaction.

An analysis of the result and cash flows of discontinued operations is as follows:

	Unaudited Six months ended 31 December	
	2006	2005
	HK$'000	*HK$'000*
		(As restated)
Turnover	–	986,938
Other income	–	556
Operating costs	–	(982,753)
Operating profit	–	4,741
Finance costs	–	(21,793)
Loss before income tax from discontinued operations	–	(17,052)
Income tax expense	–	(4,580)
Loss after income tax from discontinued operations	–	(21,632)
Net cash generated from operating activities	–	92,603
Net cash used in investing activities	–	(88,755)
Net cash used in financing activities	–	(45,439)
Total net cash outflow from discontinued operations	–	(41,591)

An analysis of the assets and liabilities disposed of at the date of disposal, 31 March 2006, are as follows:

	HK$'000
Property, plant and equipment	965,519
Deferred taxation	162,599
Rental and other deposits	5,949
Amount due from the immediate holding company	5,625
Amount due from fellow subsidiaries	1,784
Inventories	25,594
Trade receivables	107,035
Prepayment, other receivables, rental and other deposits	69,949
Bank overdraft	(384)
Trade payables	(73,251)
Other payables and accruals	(334,709)
Amount due to a related company	(40)
Asset retirement obligations	(6,699)
	928,971

10. Dividends

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2006 (2005: Nil).

11. Basic and diluted loss per share

Loss per share attributable to shareholders arises from continuing and discontinued operations as follows:

	Unaudited Six months ended 31 December	
	2006	2005 (As restated)
Loss from continuing operations attributable to shareholders (HK$'000)	**(8,143)**	(24,016)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share *(note a)*	**95,510,118**	85,503,293
Basic loss per share for loss from continuing operations attributable to shareholders	**(HK$0.09)**	(HK$0.28)
Loss from discontinued operations attributable to shareholders (HK$'000)	**–**	(21,632)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share *(note a)*	**N/A**	85,503,293
Basic loss per share for loss from discontinued operations attributable to shareholders	**N/A**	(HK$0.25)

Notes:

(a) The weighted average number of ordinary shares for the purpose of calculating the loss per share has been taken into account for the 2,356,000 ordinary shares issued from the exercise of share options during the six months ended 31 December 2006 (2005: Nil).

(b) The deemed number of shares from the deemed conversion of the convertible bond and the subscription note has not been considered as the convertible bond and the subscription note were redeemed after the interim period ended 31 December 2006, on 4 January 2007 (Note 15).

(c) No diluted loss per share is presented for the six months ended 31 December 2006 and 31 December 2005 as the exercise of outstanding share options would not have dilutive effect on the loss from continuing operations.

12. Trade receivables

The Group allows an average credit period of thirty to sixty days to its customers. At 31 December 2006 and 30 June 2006, the ageing analysis of the trade receivables was as follows:

	As at 31 December 2006 *HK$'000* **Unaudited**	As at 30 June 2006 *HK$'000* Audited
1 – 30 days	**1,702**	2,483
31 – 60 days	**390**	1,648
61 – 90 days	**10**	112
Over 90 days	**21**	23
	2,123	4,266

13. Trade payables

At 31 December 2006 and 30 June 2006, the ageing analysis of trade payables was as follows:

	As at 31 December 2006 *HK$'000* **Unaudited**	As at 30 June 2006 *HK$'000* Audited
1 – 30 days	**74**	80
31 – 60 days	**8**	120
61 – 90 days	**15**	172
Over 90 days	**131**	437
	228	809

14. Contingent liabilities

Shanghai No.1 Intermediate People's Court issued rulings against several subsidiaries of the Group on rights infringement cases of the Group's technology related business for an aggregate amount of RMB1,041,000. The external legal counsel is opined that the court ruling is not appropriate. The subsidiaries have filed an appeal with the court to request the court to withdraw its ruling and to rule against the plaintiff to make it responsible for associated legal costs. Bank balances with the banks in Mainland China totaling HK$801,000 (30 June 2006: HK$804,000) which were denominated in Renminbi have been frozen under the court order.

15. Subsequent event

On 22 November 2006, the Company and New World Development Limited ("NWD") entered into the conditional sale and purchase agreement (the "Agreement") in relation to the sale and purchase of the entire issued share capital of Upper Start Holdings Limited ("Upper Start") which holds 23.6% interest in the CSL NWM Group, pursuant to which the Company has conditionally agreed to sell, and NWD has conditionally agreed to purchase or procure the purchases of the entire issued share capital of Upper Start and the entire amount of the interest free shareholder's loan owing from Upper Start to the Company (collectively referred to as the "Disposal"). Pursuant to the Agreement, the consideration is HK$2,500 million (the "Consideration"). All the conditions precedent to the S&P Agreement had been fulfilled on 3 January 2007 and the Disposal completed on 4 January 2007 ("Disposal Completion"). Accordingly, the CSL NWM Group ceased to be the associated companies of the Group upon Disposal Completion. The consideration of the Disposal was satisfied by way of set-off against a sum equivalent to the aggregate amount due to fellow subsidiaries, owing under the subscription note issued to Power Palace Group Limited, the convertible bond issued to New Word CyberBase Nominee Limited, promissory note issued to and loans from New World Finance Company Limited, which resulting in full discharge of the subscription note, the convertible bond, the promissory note and the loans; and the remaining amount of HK$169,547,000 has been settled in cash upon Disposal Completion.

The early extinguishment of the subscription note and the convertible bond upon Disposal Completion resulted in an estimated decrease of HK$19,750,000 in net assets of the Group. The estimated gain on the Disposal was HK$305,793,000.

The Company declared special dividend of HK$1.2 per share or an aggregate amount of HK$117,230,000 conditional to the Disposal Completion and others.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The continuing operations of the Group are the provision of technology related services including mobile value added business in Mainland China (the "Technology Business"). For the six months ended 31 December 2006, the Group's turnover from continuing operations was approximately HK$9.5 million as compared to last corresponding period of approximately HK$1.6 million for the post-acquisition period of the technology related services from 22 October 2005 to 31 December 2005. The Group recorded operating loss of approximately HK$70.7 million before share of results of associated companies as compared to operating loss of approximately HK$24.0 million in last corresponding period.

The increase in operating loss was attributable to the following key factors: (a) increase in finance costs from approximately HK$23.8 million in last corresponding period to approximately HK$52.8 million in current period; (b) part of the staff costs and administrative expenses used to be incurred by the discontinued operations before the Merger now being absorbed by the Company; and (c) a reversal of impairment provision on investments in associated companies of approximately HK$7.5 million in last corresponding period. The increase in finance costs was due to, firstly, the inclusion of interest expense of approximately HK$20.4 million in the loss from discontinued operations in last corresponding period for a loan from a fellow subsidiary of the discontinued operations whereas the interest expense for a promissory note issued by the Company to the same fellow subsidiary replacing the former-mentioned loan upon the merger of the NWPCS Group with the CSL NWM Group on 31 March 2006 (the "Merger") was included in loss from continuing operations in current period, secondly, new loans in aggregate amount of approximately HK$308.0 million drawn in second half of the year ended 30 June 2006 and during current period followed by partial repayment of approximately HK$128.0 million during current period, and thirdly the increase in interest rate as a result of higher Hong Kong Interbank Offer Rate in current period.

The Technology Business showed improvement in turnover as a result of the increase in number of subscribers when compared to the last corresponding period with an operating loss of approximately HK$5.2 million for the current six-month period (approximately HK$5.2 million for the post-acquisition period of around 2 months in the last corresponding period). The operating loss has not worsened partly due to the improvement in turnover and also partly due to the adoption of cost saving measures in current period.

The Group recorded share of results of associated companies of approximately HK$62.6 million for its 23.6% interest in the CSL NWM Group (2005: Nil). On 22 November 2006, the Company and NWD entered into the conditional sale and purchase agreement (the "Agreement") in relation to the sale and purchase of the entire issued share capital of Upper Start which holds the 23.6% interest in the CSL NWM Group, pursuant to which the Company has conditionally agreed to sell, and NWD has conditionally agreed to purchase or procure the purchases of the entire issued share capital of Upper Start and the entire amount of the interest free shareholder's loan owing from Upper Start to the Company (collectively referred to as the "Disposal"). Accordingly, the CSL NWM Group ceased to be the associated companies of the Group upon the completion of the Disposal on 4 January 2007. The consideration of the Disposal enabled the Group to discharge the Subscription Note, the Convertible Bond, and promissory note issued to a fellow subsidiary and loans from the fellow subsidiary which will fall due in the year ending 30 June 2008, and also to declare special dividend of HK$1.2 per share or an aggregate amount of approximately HK$117,230,000 to its shareholders.

The loss attributable to shareholders for the current period amounted to approximately HK$8.1 million when compared to approximately HK$45.6 million in last corresponding period which comprised a loss of approximately of HK$24.0 million of the continuing operations and a loss of approximately HK$21.6 m of the discontinued operations of the NWPCS Group.

Business Review
The mobile value added business had continues been negatively impacted by the market environment and the tightening policy control of the mobile operators. However our two internet websites have made good progress. In the music sector, www.hanyin.com, our music entertainment business reached over 140,000 registered users. We have secured relationship with 46 local and international record companies with a total of over 140 artists. We have directly signed song distribution rights with 40 artists and have been promoting their work in both the mobile and Internet environment. During the last quarter, we revamped our music blog channel, now providing 15 different music and entertainment categories of related blog contents, spreading from song of local talents and popular artists from Hong Kong and Taiwan. When the service was re-launched in November 2006 it soon became one of the major key drivers of the sites traffic growth.

In the city infotainment sector, in the last six months, the team has worked on a major face lift of our website, Chinaquest. In order to improve our brand awareness, in November 2006, we announced a change of site address to www.52tong.com and a change of the logo design to a more lively brand design concept. Furthermore, as a major step to expanding our services, we launched a classified ads channel focus on providing a platform for individuals to advertise their own information to the public. We have fully implemented the Web2.0 model which enabled users to self create and upload contents to be shared by the public. We have a total of 67 categories and after one and a half months of launched we have reached over 54,000 classified ads postings. As at beginning of February 2007, our website is ranked within 2000 of the Alexa website ranking chart.

Capital structure, liquidity and financial resources
As at 31 December 2006, total borrowings of the Group amounted to HK$2,297.4 million (30 June 2006: HK$2,371.0 million). These borrowings comprised Subscription Note of HK$1,202.4 million, Convertible Bond of HK$28.3 million, promissory note issued to a fellow subsidiary of HK$886.7 million and loans of HK$180.0 million. All of these borrowings were redeemed or repaid by way of set-off against the consideration of the Disposal on 4 January 2007 before their original maturity dates.

The key operations of the Group are located in Hong Kong and Mainland China. Therefore, assets and liabilities of the Group are mainly denominated in either Hong Kong dollars or Renminbi. Since no significant exposure to foreign currency losses are expected, the Group does not conduct any foreign currency hedging activities.

Employees and remuneration policy
As at 31 December 2006, the Group had a total of 107 employees (30 June 2006: 143). The reduction in number of employees is resulting from the Group's commitment to streamline operations to enhance efficiency. The Group's remuneration policy is to pay salaries competitive in the industry, in a way that is motivational, fair and equitable. The salaries are also dependent on individual and company's performance. Apart from salaries, the Group also provides other fringe benefits to employees, which include provident fund schemes, medical insurance and bonus on performance basis.

Change of controlling shareholder
Following the Disposal, NWD disposed of its controlling interests in the issued share capital of the Company to Moral Glory International Limited on 4 January 2007.

Outlook
In 2007, one of the key focus for growth will be in the area of mobile internet advertising. Currently, web advertising only represents less than 3% of the total advertising market size in China. However, according to iResearch company, the total web advertising market in China reached 812 million US dollars and expecting size to exceed 1 billion US dollars in 2007. In addition, according to China Internet Network Information Center's June 2006 report Internet users in China has reached over 123 million, a 19.4% growth from previous year. While, according to Ministry of Information Industry of PRC, mobile users are expected to reach 440 million at the end of 2006.

We believe as we see the growth of mobile and internet users continues in China and it being a significant part of everyday life, advertisers in China will begin to divert more advertising spending on the internet and mobile mediums. Thus, we will continue to enhance our mobile Internet services with a focus in music and city infotainment services.

In the music sector, we will continue to provide a forum on the internet and mobile, for local music talents to create, promote and even sell their work. In addition, we will enhance the services on this platform for music lovers to enjoy both pop music and new local music.

In the city infotainment sector, we believe that city based information services will be a key to our business expansion. We shall continue to enhance both classified ads and yellow page directory search service in terms of both quantity and quality. Enable Internet users to find first hand city based directory and map information.

Lastly, we shall also continue to seek other investment opportunities as the board sees fit to expand our business.

Interim dividend
The Directors have resolved not to declare any interim dividend for the six months ended 31 December 2006 (2005: Nil).

Purchase, sale or redemption of the Company's listed securities
Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2006.

Corporate Governance
The Company recognizes the value and importance to achieving high standards of corporate governance to enhance corporate performance and accountability.

The Company has applied the principles and has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 31 December 2006 in all material aspects, except the deviation from the code provision A.4.1.

Code provision A.4.1
The Company has not yet adopted code provision A.4.1 which provides that non-executive directors should be appointed for a specific term, subject to re-election.

Non-executive directors (including independent non-executive directors) of the Company were not appointed for specific terms. Since the non-executive directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's articles of association, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

The number of independent non-executive directors is falling below the minimum number required under the Listing Rules as at the date of this announcement. As disclosed in the announcement of the Company dated 1 February 2007, the Board will use its best endeavors to identify appropriate persons for appointment as the independent non-executive director, audit committee and remuneration committee members of the Company before 30 April 2007.

Model code for securities transactions by directors

The Company has adopted its own code of conduct regarding securities transactions by directors and employees who are likely to be in possession of unpublished price sensitive information of the Company on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules.

Having made specific enquiry by the Company, all directors have confirmed that they have complied with the required standard set out in such code of conduct for the period ended 31 December 2006.

Audit committee

The audit committee currently comprises, Mr. Tsui Hing Chuen, William *JP* and Mr. Lau Wai Piu (Chairman of the committee), the two independent non-executive directors of the Company.

The audit committee has reviewed the unaudited interim accounts of the Group for the six months ended 31 December 2006.

By Order of the Board
New World Mobile Holdings Limited
Tang Chi Kei
Company Secretary

Hong Kong, 15 March 2007

As at the date of this announcement, the Board comprises Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman as executive directors, Mr. Tsui Hing Chuen, William JP and Mr. Lau Wai Piu as independent non-executive directors.

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