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MORAL GLORY INTERNATIONAL LIMITED

(Incorporated in the British Virgin Islands with limited liability)

NEW WORLD MOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 862)

**(1) SPECIAL DEALS,
VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTION; AND
(2) SUSPENSION AND RESUMPTION OF
TRADING IN THE NWM SHARES**

JOINT ANNOUNCEMENT:

**(I) PROPOSED DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF, AND LOAN TO,
UPPER START HOLDINGS LIMITED BY NEW WORLD MOBILE HOLDINGS LIMITED
TO
NEW WORLD DEVELOPMENT COMPANY LIMITED;**

**(II) PROPOSED SPECIAL DIVIDEND OF
NEW WORLD MOBILE HOLDINGS LIMITED;**

**(III) PROPOSED ACQUISITION OF APPROXIMATELY 58.04% OF
THE ISSUED SHARE CAPITAL OF
NEW WORLD MOBILE HOLDINGS LIMITED
BY
MORAL GLORY INTERNATIONAL LIMITED;**

**(IV) POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY
TAIFOOK SECURITIES COMPANY LIMITED
ON BEHALF OF MORAL GLORY INTERNATIONAL LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF
NEW WORLD MOBILE HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY MORAL
GLORY INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT);
AND**

**(V) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER BY NEW WORLD
MOBILE HOLDINGS LIMITED**

Financial adviser to Moral Glory International Limited



THE DISPOSAL

On 22 November 2006, NWM and NWD entered into the S&P Agreement, pursuant to which NWM has conditionally agreed to sell, and NWD has conditionally agreed to purchase, the entire issued share capital of Upper Start and the Sale Loan. Pursuant to the S&P Agreement, the Consideration is HK\$2,500 million.

Upper Start was incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of NWM as at the date of this announcement. The sole asset of Upper Start is its 23.6% interest in the issued share capital of CSL NWM.

THE SPECIAL DIVIDEND

Subject to (i) the Disposal Completion; (ii) compliance with section 146 of the articles of association of NWM which provides that dividend shall only be declared or payable out of profits and reserves of NWM lawfully available for distribution; and (iii) the sufficiency of the distributable reserves of NWM as at the Disposal Completion Date, the NWM Board intends to distribute the Special Dividend of HK\$1.20 per NWM Share (subject to finalisation) to the Qualifying NWM Shareholders. The Special Dividend will be financed by the Cash Consideration.

Based on 95,336,069 NWM Shares in issue as at the date of this announcement and the Special Dividend of HK\$1.20 per NWM Share (subject to finalisation), the total amount of the Special Dividend will be approximately HK\$114.4 million. Based on 97,692,069 NWM Shares as enlarged by the full exercise of 2,356,000 NWM Options (being the number of outstanding NWM Options as at the date of this announcement other than 278,000 NWM Options owned by Mr. Lo and 482,000 NWM Options owned and to be cancelled by Mr. To), the total amount of the Special Dividend will be approximately HK\$117.2 million.

THE ACQUISITION AGREEMENT

On 22 November 2006, the Offeror entered into the Acquisition Agreement with NWD, pursuant to which the Offeror has conditionally agreed to purchase, and NWD has conditionally agreed to procure the sale of, subject to, among other things, the Disposal Completion, the NWM Sale Shares. The NWM Sale Shares, being 55,336,666 NWM Shares, represent approximately 58.04% of the voting rights of NWM as at the date of this announcement.

Based on HK\$0.65 per NWM Share, the consideration payable for the NWM Sale Shares is approximately HK\$36.0 million, which will be payable in cash upon the Acquisition Completion.

The Offeror is an investment holding company which was incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Offeror is beneficially and wholly-owned by Mr. Lo, a non-executive director of NWM.

THE SHARE OFFER

Upon the Acquisition Completion, the Offeror and parties acting in concert with it will own an aggregate of 71,428,512 NWM Shares, representing approximately 74.92% of the voting rights of NWM as at the date of this announcement and approximately 73.11% of the voting rights of NWM as enlarged by the exercise of all the NWM Options other than those owned by Mr. Lo and those owned and to be cancelled by Mr. To. Under Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general cash offer for all the NWM Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. The Share Offer will be made at HK\$0.65 per NWM Share.

GENERAL

The S&P Agreement and the Special Dividend:

Each of the Disposal and the Set-off constitutes a special deal for NWM under Rule 25 of the Takeovers Code, and therefore requires the consent of the Executive and such consent, if granted, will be conditional upon the approval by the Independent NWM Shareholders voting by poll at the EGM. The Disposal also constitutes a very substantial disposal for NWM under Chapter 14 of the Listing Rules. As the NWD Group is beneficially interested in approximately 58.04% of the issued share capital of NWM as at the date of this announcement, NWD is a connected person of NWM and the Disposal also constitutes a connected transaction for NWM under Chapter 14A of the Listing Rules. As such, the Disposal is subject to the approval by the Independent NWM Shareholders at the EGM by poll. NWD, its associates and parties acting in concert with NWD as well as the Offeror, New World CyberBase Limited, their respective associates and parties acting in concert with any of them shall abstain from voting on the proposed resolution in respect of the Disposal at the EGM.

The Special Dividend will also be put forward to the Independent NWM Shareholders for approval at the EGM by poll.

An independent board committee has been established by NWM to provide recommendation to the Independent NWM Shareholders in respect of the S&P Agreement, the Special Dividend and the Special Deals. CIMB-GK has been appointed as the independent financial adviser to advise the independent board committee of NWM and the Independent NWM Shareholders in respect of the terms of the S&P Agreement, the Special Dividend and the Special Deals.

A circular containing, among other things, further details of the S&P Agreement, the Special Dividend and the Special Deals, a letter of recommendation from the independent board committee of NWM to the Independent NWM Shareholders, a letter of advice from CIMB-GK to the independent board committee of NWM and the Independent NWM Shareholders in relation to the terms of the S&P Agreement, the Special Dividend and the Special Deals, the accountants' report on the NWM Group, the unaudited pro forma financial information on the Remaining NWM Group, further details and expected timetable of the Special Dividend and a notice of the EGM, will be despatched to the NWM Shareholders as soon as practicable in accordance with the requirements of the Listing Rules and the Takeovers Code.

The Special Dividend will be made subject to (i) the Disposal Completion; (ii) compliance with section 146 of the articles of association of NWM; and (iii) the sufficiency of the distributable reserves of NWM as at the Disposal Completion Date. The amount of the Special Dividend will be reduced if NWM does not have sufficient distributable reserves available for distribution. The NWM Shareholders, the NWM Optionholders and potential investors of NWM are advised to exercise extreme caution when dealing in the securities of NWM.

The Share Offer:

Under Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, the Offeror is required to despatch the offer document containing the terms of the Share Offer (accompanied by the acceptance and transfer forms in respect of the Share Offer) to the NWM Shareholders. In addition, NWM is required to send the offeree document in relation to the Share Offer to the NWM Shareholders within 14 days of the posting of the offer document or such later date as the Executive may approve.

It is the intention of the Offeror and NWM that the Composite Offer Document will be jointly despatched by the Offeror and NWM to the NWM Shareholders in respect of the Share Offer. Given that the Share Offer is subject to, among other things, the satisfaction and/or waiver of the conditions precedent to the Acquisition Agreement, it is expected that the Share Offer would not take place within 21 days of the date of this announcement. An application will be made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of the posting of the Composite Offer Document. Further announcement in this respect will be made.

Pursuant to Rule 2.1 of the Takeovers Code, an independent board committee has been established by NWM to advise the Independent NWM Shareholders in connection with the Share Offer. CIMB-GK has been appointed as the independent financial adviser to advise the independent board committee of NWM in respect of the Share Offer. Such appointment has been approved by the independent board committee of NWM.

THE SHARE OFFER IS A POSSIBILITY ONLY

The Share Offer is a possible unconditional mandatory general cash offer, and it will only be made if the Acquisition Completion takes place pursuant to the Acquisition Agreement. The Acquisition Completion is subject to, among other things, the satisfaction and/or waiver of the conditions precedent under the Acquisition Agreement. Accordingly, the Acquisition Completion may or may not take place and the Share Offer may or may not proceed. The NWM Shareholders and potential investors of NWM are advised to exercise extreme caution when dealing in the securities of NWM.

SUSPENSION AND RESUMPTION OF TRADING IN THE NWM SHARES

At the request of the NWM Board, trading in the NWM Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Tuesday, 14 November 2006 pending the issue and publication of this announcement. Application has been made by NWM to the Stock Exchange for the resumption of trading in the NWM Shares with effect from 9:30 a.m. on Thursday, 23 November 2006.

THE S&P AGREEMENT

Date:

22 November 2006

Parties:

- (i) NWM as the vendor; and
- (ii) NWD as the purchaser.

As at the date of this announcement, the NWD Group is beneficially interested in approximately 58.04% of the issued share capital of NWM. As such, NWD is a connected person of NWM under the Listing Rules.

Assets to be disposed:

Pursuant to the terms and conditions of the S&P Agreement:

- (i) NWM has conditionally agreed to sell the entire issued share capital of Upper Start to NWD or its nominee and NWD has conditionally agreed to purchase, or procure the purchase of, the same free from all encumbrances and together with all rights and benefits at any time accruing thereto including all rights to any dividend or other distributions declared, made or paid on or after the Disposal Completion; and

- (ii) NWM has conditionally agreed to sell and assign and NWD has conditionally agreed to purchase and accept, or procure the purchase and acceptance of, the assignment of all rights, title, benefits and interests of and in the Sale Loan (the balance of which is approximately HK\$2,413.8 million as at the date of this announcement) free from all encumbrances and together with all rights attaching thereto on or after the Disposal Completion.

Upper Start was incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of NWM as at the date of this announcement. The sole asset of Upper Start is its 23.6% interest in the issued share capital of CSL NWM. The remaining 76.4% interest in the issued share capital of CSL NWM is beneficially owned by Telstra Corporation Limited, the issued shares of which are listed on the Australian Stock Exchange.

Consideration:

Pursuant to the S&P Agreement, the Consideration is HK\$2,500 million.

The NWM Board (including the independent non-executive directors of NWM who will render their opinion upon receipt of the advice of CIMB-GK, the independent financial adviser in respect of the S&P Agreement) is of the view that the Consideration which was arrived at after arm's length negotiations between the parties to the S&P Agreement is fair and reasonable after taking into account, among other things, (i) the fact that the 23.6% interest in the issued share capital of CSL NWM is only a minority interest in the CSL NWM Group; and (ii) the aggregate amount of the audited EBITDA of the NWPCS Group for the nine months ended 31 March 2006 and the audited EBITDA of the CSL NWM Group for the year ended 30 June 2006, amounting to approximately HK\$1,649 million (*Note*).

Note: CSL NWM (formerly known as "Telstra CSL Limited") acquired the entire interest in the NWPCS Group on 31 March 2006. Since then, the CSL NWM Group has consolidated the results of the NWPCS Group and accordingly, the audited consolidated financial statements of the CSL NWM Group for the year ended 30 June 2006 included the results of the NWPCS Group for the period from 1 April 2006 to 30 June 2006. The audited EBITDA of the NWPCS Group and the audited EBITDA of the CSL NWM Group are extracted from the audited consolidated financial statements of the NWPCS Group for the nine months ended 31 March 2006 and the audited consolidated financial statements of the CSL NWM Group for the year ended 30 June 2006 respectively.

The Consideration shall be satisfied by NWD in the following manner:

- (i) a sum equivalent to the aggregate amount owing under the Subscription Note, the Convertible Bond and the Existing Loans as at the Disposal Completion Date shall be paid upon the Disposal Completion by way of setting off against the aggregate amount owing under the Subscription Note, the Convertible Bond and the Existing Loans as at the Disposal Completion Date; and
- (ii) the Cash Consideration shall be paid upon the Disposal Completion.

Based on the aggregate amount owing under the Subscription Note (owing by NWM to PPG, a wholly-owned subsidiary of NWD), the Convertible Bond (owing by NWM to NWCBN, an indirect wholly-owned subsidiary of NWD) and the Existing Loans (owing by NWM to New World Finance Company Limited, a wholly-owned subsidiary of NWD which holds a money lenders licence under the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong) of approximately HK\$2,325.2 million (including total principal balance of approximately HK\$2,295.1 million and total accrued interest of approximately HK\$30.1 million) as at the date of this announcement, the Cash Consideration is estimated to be approximately HK\$174.8 million. The actual amount of the Cash Consideration, however, is to be determined with reference to the aforesaid aggregate amount of borrowings as at the Disposal Completion Date.

Conditions precedent:

The Disposal Completion is subject to the fulfillment of the following conditions precedent:

- (i) the passing of an ordinary resolution by the NWM Shareholders (other than those who are required to abstain from voting under the Listing Rules and the Takeovers Code) at the EGM approving (1) the entering into of the S&P Agreement and the performance of the transactions contemplated thereunder by NWM in accordance with the requirements under applicable laws, rules and regulations; and (2) the declaration of the Special Dividend after the Disposal Completion;
- (ii) the grant by the Executive of his consent to the Special Deals as required pursuant to the Takeovers Code;
- (iii) all necessary governmental and regulatory (including the Stock Exchange and the SFC) approvals or consents (or waivers) required by NWD and NWM or any of them for the consummation of the transactions contemplated thereunder having been obtained; and
- (iv) all necessary third party approvals or consents (or waivers) required by NWD and NWM or any of them for the consummation of the transactions contemplated thereunder having been obtained.

All the above conditions precedent cannot be waived. NWM shall use its reasonable endeavours to procure the holding of the EGM for the purpose of fulfilling the condition precedent (i) by the Disposal Long Stop Date (being 28 February 2007 or such other date as the parties to the S&P Agreement may agree in writing) and to ensure that the conditions precedent (ii), (iii) and (iv) (insofar as NWM is concerned) shall be fulfilled by the Disposal Long Stop Date. NWD shall ensure that the conditions precedent (iii) and (iv) (insofar as NWD is concerned) shall be fulfilled by the Disposal Long Stop Date. It is expected that the conditions precedent (iii) and (iv) will be satisfied upon fulfillment of conditions precedent (i) and (ii).

If any of the conditions precedent under the S&P Agreement has not been fulfilled by the Disposal Long Stop Date, either parties to the S&P Agreement shall be entitled to rescind the S&P Agreement by giving written notice to the other whereupon the provisions of the S&P Agreement shall from such date have no further force and effect and no parties to the S&P Agreement shall have any liability under them (without prejudice to the rights of the parties to the S&P Agreement in respect of any antecedent breaches).

Completion:

Subject to the fulfillment of the conditions precedent to the S&P Agreement, the Disposal Completion shall take place on the Disposal Completion Date or at such other time as may be agreed in writing by NWD and NWM.

The Disposal Completion is expected to take place before the end of January 2007.

Use of proceeds from the Disposal:

Subject to the Disposal Completion, part of the Cash Consideration of approximately HK\$174.8 million (subject to adjustment) will be declared and distributed in the form of the Special Dividend to the Qualifying NWM Shareholders, details of which are set out in the section headed "The Special Dividend" below. The remaining balance of the Cash Consideration will be used as general working capital of the Remaining NWM Group.

THE SPECIAL DIVIDEND

Subject to (i) the Disposal Completion; (ii) compliance with section 146 of the articles of association of NWM which provides that dividend shall only be declared or payable out of profits and reserves of NWM lawfully available for distribution; and (iii) the sufficiency of the distributable reserves of NWM as at the Disposal Completion Date, the NWM Board intends to declare and distribute the Special Dividend of HK\$1.20 per NWM Share (subject to finalisation) to the Qualifying NWM Shareholders. The Special Dividend will be financed by the Cash Consideration.

Based on 95,336,069 NWM Shares in issue as at the date of this announcement and the Special Dividend of HK\$1.20 per NWM Share (subject to finalisation), the total amount of the Special Dividend will be approximately HK\$114.4 million. Based on 97,692,069 NWM Shares as enlarged by the full exercise of 2,356,000 NWM Options (being the number of outstanding NWM Options as at the date of this announcement other than 278,000 NWM Options owned by Mr. Lo and 482,000 NWM Options owned and to be cancelled by Mr. To), the total amount of the Special Dividend will be approximately HK\$117.2 million.

As referred to in the annual report of NWM for the year ended 30 June 2006, the distributable reserves of NWM amounted to approximately HK\$140.9 million. The NWM Board considers that NWM would have sufficient distributable reserves for the Special Dividend immediately after the Disposal Completion, after taking into account (i) NWM's distributable reserves of approximately HK\$140.9 million as at 30 June 2006 as extracted from the annual report of NWM for the year ended 30 June 2006; (ii) the gain on the Disposal to be recognised by NWM; and (iii) the dividend income to be received by NWM from Upper Start before the Disposal Completion Date.

The Special Dividend will only be made to the Qualifying NWM Shareholders. It is the responsibility of the Overseas NWM Shareholders who receive the cash payment under the Special Dividend to satisfy themselves as to the full observance of the laws of any relevant jurisdictions in connection therewith, including but without limitation to the obtaining of any governmental, exchange control or other consents which may be required to comply with necessary formalities or legal requirements. The Overseas NWM Shareholders will be responsible for the payment of any taxes by whomsoever payable due in respect of such jurisdictions.

The Qualifying NWM Shareholders' entitlements to the Special Dividend are calculated in proportion to the number of NWM Shares held by them whose names appear on the register of members of NWM as at the Record Date. The Qualifying NWM Shareholders with their NWM Shares held by a nominee company should note that the NWM Board will regard the nominee company as a single Qualifying NWM Shareholder according to the register of members of NWM. Accordingly, the Qualifying NWM Shareholders (including the beneficial owners of the NWM Shares) should note that the aforesaid arrangement in relation to the Special Dividend will not be extended by NWM to beneficial owners individually.

The Qualifying NWM Shareholders with their NWM Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant NWM Shares in the name of the beneficial owner(s) prior to the Record Date. For the Qualifying NWM Shareholders whose NWM Shares are held by their nominee(s) and would like to have their names registered on the register of members of NWM, they must complete the relevant registration with NWM's branch share registrar in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable.

Further announcement(s) in relation to the Special Dividend, the expected timetable thereof and the final amount of the cash payment to be declared and payable by NWM pursuant to the Special Dividend will be made by NWM as and when appropriate.

The Special Dividend will be made subject to (i) the Disposal Completion; (ii) compliance with section 146 of the articles of association of NWM; and (iii) the sufficiency of the distributable reserves of NWM as at the Disposal Completion Date. The amount of the Special Dividend will be reduced if NWM does not have sufficient distributable reserves available for distribution. The NWM Shareholders, the NWM Optionholders and potential investors of NWM are advised to exercise extreme caution when dealing in the securities of NWM.

INFORMATION ON THE NWD GROUP, THE NWM GROUP, UPPER START AND THE CSL NWM GROUP

NWD is a company incorporated in Hong Kong with limited liability and its issued shares are listed on the Stock Exchange. The NWD Group is a conglomerate with core businesses including property, infrastructure, services, department stores, hotels and telecommunications in Hong Kong, Macau and the PRC.

NWM is a company incorporated in the Cayman Islands with limited liability and its issued shares are listed on the Stock Exchange. The principal business of the NWM Group comprises (i) the Technology Business, namely the technology-related business including mobile Internet-related services in the PRC; and (ii) the ownership of the 23.60% interest in the issued share capital of CSL NWM. Set out below is a summary of the audited consolidated results of the NWM Group for the two years ended 30 June 2006 as extracted from the annual report of NWM for the year ended 30 June 2006:

	For the year ended 30 June	
	2005	2006
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Restated)</i>	
<i>Continuing operations</i>		
Loss before taxation	(47,041)	(133,567)
Loss after taxation	(47,092)	(133,567)
<i>Discontinued operations</i>		
Profit from discontinued operations (<i>Note</i>)	36,693	1,045,209
(Loss)/profit attributable to shareholders	(10,399)	911,642

Note: The discontinued operations were mobile communications services undertaken by the NWPCS Group, the entire interest of which was acquired by CSL NWM from the NWM Group on 31 March 2006.

As at 30 June 2006, the audited consolidated shareholders' deficit of the NWM Group amounted to approximately HK\$97.3 million.

Upper Start is a wholly-owned subsidiary of NWM whose principal activity is the holding of the 23.6% interest in the issued share capital of CSL NWM.

The CSL NWM Group is a major mobile telecommunications network operator providing mobile wireless services and associated activities by using mobile wireless technologies to provide mobile wireless services in spectrum reserved or designated for use for that purpose under the brands of “One2Free” and “1010” as well as “New World Mobility” following the acquisition of the NWPCS Group by the CSL NWM Group on 31 March 2006. Set out below is the summary of the financial information of the CSL NWM Group for the two years ended 30 June 2006 based on the audited consolidated financial statements of the CSL NWM Group for the year ended 30 June 2006:

	For the year ended 30 June	
	2005	2006
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation	344,175	619,845
Profit after taxation	209,911	483,095

As at 30 June 2006, the audited consolidated net assets value of the CSL NWM Group amounted to approximately HK\$5,445.7 million.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE S&P AGREEMENT AND THE SPECIAL DIVIDEND FOR NWM

As a result of the Disposal, the NWM Group is expected to record an unaudited gain of approximately HK\$352 million based on (i) the Consideration of HK\$2,500 million; and (ii) the audited net book value of NWM’s 23.6% interest (through Upper Start) in the issued share capital of CSL NWM of approximately HK\$2,143 million as at 30 June 2006. The actual gain on the Disposal, however, is to be determined with reference to the net book value of NWM’s 23.6% interest in the issued share capital of CSL NWM as at the Disposal Completion Date. In addition, as the amortised costs included in the carrying amounts of the Subscription Note and the Convertible Bond as at 30 June 2006 have to be increased to the amount of principals repayable when early redemptions are made upon the Disposal Completion, it is expected that a net decrease in the consolidated equity of the NWM Group of approximately HK\$40 million will be recognised upon the Disposal Completion, which would otherwise be recognised in the consolidated equity of the NWM Group over a longer financial period from 1 July 2006 to their respective maturity dates if the Subscription Note and the Convertible Bond are redeemed or repaid on their respective maturity dates. The actual amount of the net decrease in the consolidated equity of the NWM Group as a result of the early redemption of the Subscription Note and the Convertible Bond is, however, to be determined with reference to the carrying amounts of the Subscription Note and the Convertible Bond as at the Disposal Completion Date.

Set out below are the details of the major borrowings of the NWM Group, being the Subscription Note, the Convertible Bond and the Existing Loans:

Major borrowings	Annual interest rate	Maturity	Approximate outstanding principal balances as at the date of this announcement <i>HK\$' million</i>
The Subscription Note	0.75%	July 2007	1,200.0
The Convertible Bond	3.00%	November 2007	28.3
The Existing Loans	0.65% above three-month HIBOR	August to September 2007	1,066.8
Total			2,295.1

The NWM Board considers that the Disposal will enable the NWM Group to discharge the Subscription Note, the Convertible Bond and the Existing Loans before they are due for repayment. Based on the annual report of NWM for the year ended 30 June 2006, the NWM Group had incurred significant interest expenses of approximately HK\$93.4 million, of which approximately HK\$46.8 million, HK\$0.9 million and HK\$45.7 million respectively were attributable to the Subscription Note, the Convertible Bond and the Existing Loans for the year ended 30 June 2006 respectively. Among the aforesaid interest expenses of approximately HK\$93.4 million, approximately HK\$55.6 million were the actual interest expenses payable to the holders or lender of the Subscription Note, Convertible Bond and the Existing Loans and approximately HK\$37.8 million were required to be recorded in the consolidated financial statements of the NWM Group in accordance with Hong Kong Accounting Standard 32.

Based on the existing carrying amounts of the Subscription Note, the Convertible Bond and the Existing Loans, their average aggregate monthly interest expenses are estimated to be approximately HK\$8.4 million for the year ending 30 June 2007. Among the aforesaid estimated monthly interest expenses of approximately HK\$8.4 million, approximately HK\$5.2 million will be the actual interest expenses payable to the holders or lender of the Subscription Note, Convertible Bond and the Existing Loans and approximately HK\$3.2 million will be required to be recorded in the consolidated financial statements of the NWM Group in accordance with Hong Kong Accounting Standard 32. Accordingly, the Disposal will enable the Remaining NWM Group to reduce significant interest expenses on the aforesaid borrowings following the Disposal Completion. In addition, the Cash Consideration of approximately HK\$174.8 million (subject to adjustment) will be used for the Special Dividend and as general working capital of the Remaining NWM Group.

Since 2001, NWM has not declared any dividend to the NWM Shareholders. It is the NWM Board's intention to declare and distribute, subject to, among other things, the Disposal Completion and the availability of NWM's distributable reserves, the Special Dividend. As such, the entering into of the S&P Agreement provides the NWM Shareholders an opportunity to have return from their investment in NWM in the form of the Special Dividend.

In view of the above and having considered (i) the terms of the S&P Agreement; (ii) the expected unaudited gain to be recorded by the NWM Group as a result of the Disposal; (iii) the full discharge of the Subscription Note, the Convertible Bond and the Existing Loans and (iv) the use of the Cash Consideration for the purpose of, among other things, the Special Dividend, the NWM Board (including the independent non-executive directors of NWM who will render their opinion upon receipt of the advice of CIMB-GK, the independent financial adviser in respect of the S&P Agreement, the Special Dividend and the Special Deals) is of the view that the terms of the S&P Agreement are fair and reasonable and in the interests of the NWM Group and the Independent NWM Shareholders as a whole.

COMPLIANCE WITH RULE 13.24 OF THE LISTING RULES BY NWM FOLLOWING THE DISPOSAL COMPLETION

After the Disposal Completion, the Remaining NWM Group's principal business will be the Technology Business. The NWM Board is aware of NWM's continuing obligations to comply with the requirements of Rule 13.24 of the Listing Rules as a result of the Disposal Completion.

The Technology Business currently employs about 120 employees with operations in Beijing, Shanghai and Guangzhou of the PRC and marketing offices in Shenyang, Nanjing, Chengdu and Xian of the PRC. As referred to in the annual report of NWM for the year ended 30 June 2006, the turnover of the Technology Business for the period from 22 October 2005 (date of acquisition of the Technology Business by the NWM Group) to 30 June 2006 amounted to approximately HK\$16.5 million. In view of the above, the NWM Board considers that after the Disposal Completion, NWM will be able to continue to comply with the requirements of Rule 13.24 of the Listing Rules.

THE ACQUISITION AGREEMENT

Date:

22 November 2006

Parties:

- (i) NWD as the vendor;
- (ii) the Offeror as the purchaser; and
- (iii) Mr. Lo as the Offeror's guarantor.

Pursuant to the Acquisition Agreement, Mr. Lo has agreed to guarantee the performance and observance of the obligations of the Offeror thereunder and to indemnify NWD for all loss and damages suffered or incurred as a result of any failure of the Offeror to do so.

As at the date of this announcement, the NWD Group is beneficially interested in 55,336,666 NWM Shares, representing approximately 58.04% of the voting rights of NWM as at the date of this announcement.

As at the date of this announcement, the Offeror is beneficially and wholly owned by Mr. Lo, a non-executive director of NWM.

NWM Sale Shares:

Pursuant to the terms and conditions of the Acquisition Agreement, the Offeror has conditionally agreed to acquire, and NWD has conditionally agreed to procure the disposal of the NWM Sale Shares, being 55,336,666 NWM Shares, representing approximately 58.04% of the voting rights of NWM as at the date of this announcement, free from all encumbrances and together with all rights and benefits at any time accruing thereto including all rights to any dividend or other distributions declared, made or paid on or after the Acquisition Completion (save and except for the Special Dividend).

Consideration:

Based on HK\$0.65 per NWM Share, the consideration payable for the NWM Sale Shares is approximately HK\$36.0 million, which will be payable in cash upon the Acquisition Completion.

The price of HK\$0.65 per NWM Share under the Acquisition Agreement represents:

- (i) a premium of approximately 51.2% over the theoretical ex-dividend closing price of HK\$0.43 per NWM Share as quoted on the Stock Exchange as at 13 November 2006, being the last trading day of the NWM Shares on the Stock Exchange prior to the Suspension after deduction of the Special Dividend to be paid to the Qualifying NWM Shareholders of HK\$1.20 per NWM Share (subject to finalisation);
- (ii) a premium of approximately 50.5% over the theoretical ex-dividend 10-day average closing price of the NWM Shares of approximately HK\$0.432 per NWM Share, which was arrived at based on the average closing price of approximately HK\$1.632 per NWM Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 13 November 2006 after deduction of the Special Dividend to be paid to the Qualifying NWM Shareholders of HK\$1.20 per NWM Share (subject to finalisation);
- (iii) a premium of approximately 43.8% over the theoretical ex-dividend 30-day average closing price of the NWM Shares of approximately HK\$0.452 per NWM Share, which was arrived at based on the average closing price of approximately HK\$1.652 per NWM Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 13 November 2006 after deduction of the Special Dividend to be paid to the Qualifying NWM Shareholders of HK\$1.20 per NWM Share (subject to finalisation); and
- (iv) a premium over the audited consolidated net deficit of the NWM Group of approximately HK\$1.02 per NWM Share as at 30 June 2006.

The price of HK\$0.65 per NWM Sale Share was arrived at after arm's length negotiations between NWD and the Offeror after taking into account, among other things, (i) the audited consolidated net deficit of the NWM Group of approximately HK\$97.3 million as at 30 June 2006; (ii) the estimated unaudited gain on the Disposal of approximately HK\$352 million (subject to finalisation); (iii) the aggregate Special Dividend of approximately HK\$117.2 million based on 97,692,069 NWM Shares, being the aggregate of (1) 95,336,069 NWM Shares in issue as at the date of this announcement; and (2) 2,356,000 new NWM Shares to be issued upon the exercise of all the outstanding NWM Options by the NWM Optionholders save for Mr. Lo and Mr. To; and (iv) the average aggregate monthly interest expenses of HK\$8.4 million on the Subscription Note, the Convertible Bond and the Existing Loans before the Disposal Completion Date.

Conditions precedent:

Acquisition Completion is subject to the fulfillment of the following conditions precedent:

- (i) the Disposal Completion;
- (ii) full redemption and discharge of the Subscription Note and the Convertible Bond by NWM;
- (iii) full repayment of all outstanding amounts under the Existing Loans;
- (iv) declaration of the Special Dividend;
- (v) the NWM Shares remaining listed and are capable of being traded on the Stock Exchange at all times prior to and on the Acquisition Completion and the current listing of the NWM Shares not having been withdrawn and no indication being received on or before the Acquisition Completion Date from the Stock Exchange or the SFC to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Acquisition Completion or in connection with the terms of the Acquisition Agreement or for any other reason;
- (vi) all necessary governmental and regulatory (including the Stock Exchange and the SFC) and shareholder approvals or consents (or waivers) required by the parties to the Acquisition Agreement or any of them for the consummation of the transactions contemplated thereunder having been obtained; and
- (vii) all necessary third party approvals or consents (or waivers) required by the parties to the Acquisition Agreement or any of them for the consummation of the transactions contemplated thereunder having been obtained.

The Offeror may in its absolute discretion at any time waive the condition precedent (v), and such waiver may be subject to such terms and conditions as determined by the Offeror.

NWD shall use its reasonable endeavours to ensure that the above conditions precedent (insofar as NWD is concerned in respect of conditions precedent (vi) and (vii)) shall be fulfilled by the Acquisition Long Stop Date. The Offeror shall use its reasonable endeavours to ensure that the conditions precedent (vi) and (vii) (insofar as the Offeror is concerned) shall be fulfilled by the Acquisition Long Stop Date. It is expected that the conditions precedent (v) to (vii) will be satisfied upon fulfillment of conditions precedent (i) to (iv).

If any of the conditions precedent has not been fulfilled (or waived by the Offeror in respect of condition precedent (v)) by the Acquisition Long Stop Date, either NWD or the Offeror shall be entitled to rescind the Acquisition Agreement by giving written notice to the other whereupon the provisions of the Acquisition Agreement shall from such date have no further force and effect and no parties to the Acquisition Agreement shall have any liability under them (without prejudice to the rights of the parties to the Acquisition Agreement in respect of any antecedent breaches).

Completion:

Subject to the fulfillment (or waiver) of the above conditions precedent, the Acquisition Completion shall take place on the Acquisition Completion Date (or such other time as may be agreed in writing by NWD and the Offeror).

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company which was incorporated in the British Virgin Islands with limited liability. Save for the entering into of the Acquisition Agreement, the Offeror has not conducted any business since its incorporation and has no material assets and liabilities save for the cash and corresponding shareholder's loan made available for the Acquisition and full acceptance of the Share Offer by the NWM Shareholders. As at the date of this announcement, the Offeror is beneficially and wholly owned by Mr. Lo, a non-executive director of NWM and the sole director of the Offeror.

EFFECTS OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF NWM

The following table sets out the effect of the Acquisition on the simplified shareholding structure of NWM:

	As at the date of this announcement		Immediately after the Acquisition Completion (on the basis as set out in Note 1)		Immediately after the Acquisition Completion (on the basis as set out in Note 2)	
	Number of NWM Shares	%	Number of NWM Shares	%	Number of NWM Shares	%
The Offeror and parties acting in concert with it:						
– The Offeror	–	–	55,336,666	58.04	55,336,666	56.64
– New World CyberBase Limited (Note 3 and 5)	16,091,846	16.88	16,091,846	16.88	16,091,846	16.47
<i>Sub-total</i>	<i>16,091,846</i>	<i>16.88</i>	<i>71,428,512</i>	<i>74.92</i>	<i>71,428,512</i>	<i>73.11</i>
The NWD Group (Note 4)	55,336,666	58.04	–	–	–	–
Directors of NWM (Note 5)	–	–	–	–	2,278,000	2.33
Public	23,907,557	25.08	23,907,557	25.08	23,985,557	24.56
Total	95,336,069	100.00	95,336,069	100.00	97,692,069	100.00

Notes:

1. On the basis that there are no conversion of the Subscription Note and the Convertible Bond and no exercise of the NWM Options immediately after the Acquisition Completion.
2. On the basis that there are no conversion of the Subscription Note and the Convertible Note but the NWM Options are exercised in full (save for the 278,000 NWM Options owned by Mr. Lo and the 482,000 NWM Options owned and to be cancelled by Mr. To) immediately after the Acquisition Completion.
3. New World CyberBase Limited (stock code: 276), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange. Based on publicly available information, Mr. Lo, a non-executive director of NWM and the sole beneficial owner of the Offeror, is the chairman and an executive director of New World CyberBase Limited and is interested in approximately 21.14% of the issued share capital of New World CyberBase Limited as at the date of this announcement.

4. NWD is deemed to be interested in 55,336,666 NWM Shares (representing approximately 58.04% of the issued share capital of NWM), which comprised 53,236,666 NWM Shares (representing approximately 55.84% of the issued share capital of NWM) owned by PPG, a wholly-owned subsidiary of NWD, and 2,100,000 NWM Shares (representing approximately 2.20% of the issued share capital of NWM) owned by NWCBN, an indirect wholly-owned subsidiary of NWD, respectively as at the date of this announcement.
5. The directors of NWM (save for Mr. Lo and Mr. To) are interested in 2,278,000 NWM Options entitling them to subscribe for 2,278,000 NWM Shares as at the date of this announcement. Mr. To, an executive director of NWM, is also a non-executive director of New World CyberBase Limited as at the date of this announcement. Mr. Tsui Hing Chuen, William *JP*, an independent non-executive director of NWM, is also an independent non-executive director of New World CyberBase Limited, and he is not interested in any NWM Shares or NWM Options as at the date of this announcement. Save for Mr. Lo, Mr. To and Mr. Tsui Hing Chuen, William *JP*, none of the directors of NWM is also a director of New World CyberBase Limited.

THE SHARE OFFER

Upon the Acquisition Completion, the Offeror and parties acting in concert with it will own an aggregate of 71,428,512 NWM Shares, representing approximately 74.92% of the voting rights of NWM as at the date of this announcement and approximately 73.11% of the voting rights of NWM as enlarged by the exercise of the NWM Options other than those owned by Mr. Lo and those owned and to be cancelled by Mr. To. Under Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general cash offer for all the NWM Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this announcement, NWM has 3,116,000 NWM Options outstanding entitling the NWM Optionholders to subscribe for an aggregate of 3,116,000 NWM Shares. All the aforesaid NWM Options are held by nine existing directors and one ex-director of NWM. As at the date of this announcement, Mr. Lo is interested in 278,000 NWM Options entitling him to subscribe for 278,000 NWM Shares and has undertaken in writing not to exercise his NWM Options from the date of the announcement until the close of the Share Offer. As at the date of this announcement, Mr. To is interested in 482,000 NWM Options entitling him to subscribe for 482,000 NWM Shares and has agreed with NWM in writing that he will not exercise his NWM Options from the date of this announcement until the Acquisition Completion Date and subject to the Acquisition Completion, his 482,000 NWM Options will be cancelled.

In addition, all other NWM Optionholders have undertaken in writing that they will exercise their NWM Options in accordance with the respective terms of the NWM Options before the latest practicable date as referred to in the circular to be issued by NWM in relation to, among other things, the S&P Agreement, the Special Dividend and the Special Deals. As such, the Offeror is not required to make any comparable offer for the outstanding NWM Options under Rule 13 of the Takeovers Code upon the Acquisition Completion. The Offeror, however, will make an unconditional mandatory general cash offer for the 2,356,000 NWM Shares to be issued upon the exercise of the outstanding NWM Options by all the NWM Optionholders save for Mr. Lo and Mr. To.

As at the date of this announcement, NWM has the Subscription Note and the Convertible Bond outstanding which entitle the respective holders thereof to subscribe for the NWM Shares based on the terms of the Subscription Note and the Convertible Bond respectively. It is a term under the S&P Agreement that the Subscription Note and the Convertible Bond will be fully discharged by way of a set-off against part of the Consideration payable thereunder upon the Disposal Completion. As such, the Offeror is not required to make any comparable offer for the Subscription Note and the Convertible Bond under Rule 13 of the Takeovers Code upon the Acquisition Completion.

Save for the Subscription Note, the Convertible Bond and the NWM Options as disclosed above, there are no outstanding warrants, options or securities convertible into NWM Shares as at the date of this announcement.

Principal terms of the Share Offer:

Taifook Securities, on behalf of the Offeror, will make the Share Offer to acquire all the NWM Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it upon the Acquisition Completion on the following basis:

The Share Offer:

For each NWM Share HK\$0.65 in cash

Comparisons of value:

The Share Offer Price of HK\$0.65 per NWM Share is equal to the consideration paid by the Offeror for each NWM Sale Share under the Acquisition Agreement and represents:

- (i) a premium of approximately 51.2% over the theoretical ex-dividend price of HK\$0.43 per NWM Share as quoted on the Stock Exchange as at 13 November 2006, being the last trading day of the NWM Shares on the Stock Exchange prior to the Suspension after deduction of the Special Dividend to be paid to the Qualifying NWM Shareholders of HK\$1.20 per NWM Share (subject to finalisation);
- (ii) a premium of approximately 50.5% over the theoretical ex-dividend 10-day average closing price of the NWM Shares of HK\$0.432 per NWM Share, which was arrived at based on the average closing price of HK\$1.632 per NWM Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 13 November 2006 after deduction of the Special Dividend to be paid to the Qualifying NWM Shareholders of HK\$1.20 per NWM Share (subject to finalisation);
- (iii) a premium of approximately 43.8% over the theoretical ex-dividend 30-day average closing price of the NWM Shares of HK\$0.452 per NWM Share, which was arrived at based on the average closing price of HK\$1.652 per NWM Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 13 November 2006 after deduction of the estimated amount of the Special Dividend to be paid to the Qualifying NWM Shareholders of HK\$1.20 per NWM Share (subject to finalisation); and
- (iv) a premium over the audited consolidated net deficit of the NWM Group of approximately HK\$1.02 per NWM Share as at 30 June 2006.

Highest and lowest closing prices of the NWM Shares:

The highest and lowest closing prices of the NWM Shares as quoted on the Stock Exchange during the six-month period preceding 13 November 2006, being the last trading day of the NWM Shares on the Stock Exchange prior to the Suspension were HK\$1.85 per NWM Share on 18 September 2006 and HK\$1.45 per NWM Share on 7, 10 July and 7 August 2006 respectively.

Total consideration:

As at the date of this announcement, NWM has 95,336,069 NWM Shares in issue. Based on the Share Offer Price of HK\$0.65 per NWM Share, the entire issued share capital of NWM of 97,692,069 NWM Shares (being the aggregate of (i) 95,336,069 NWM Shares in issue as at the date of this announcement; and (ii) 2,356,000 new NWM Shares to be issued upon the exercise of all the outstanding NWM Options by the NWM Optionholders save for Mr. Lo and Mr. To) is valued at approximately HK\$63.5 million.

Based on the 26,263,557 NWM Shares (being the aggregate of (i) 23,907,557 NWM Shares held by the public NWM Shareholders as at the date of this announcement; and (ii) 2,356,000 NWM Shares to be issued upon the exercise of all the outstanding NWM Options by the NWM Optionholders save for Mr. Lo and Mr. To) which are subject to the Share Offer, the Share Offer is valued at approximately HK\$17.1 million.

The Offeror will finance the Share Offer by way of shareholder's loan from Mr. Lo. Taifook Capital is satisfied that there are sufficient financial resources available to the Offeror to meet its obligations in case of full acceptance of the Share Offer by the NWM Shareholders.

Effect of accepting the Share Offer:

By accepting the Share Offer, the NWM Shareholders will sell their NWM Shares to the Offeror free from all encumbrances and together with all rights and benefits at any time accruing thereto including all rights to any dividend or other distributions declared, made or paid on or after the Acquisition Completion (save and except for the Special Dividend).

Stamp duty:

Seller's ad valorem stamp duty at a rate of HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration arising on acceptance of the Share Offer, or at the market value of the NWM Shares, whichever is greater, will be deducted from the consideration due to the relevant NWM Shareholders on acceptance of the Share Offer.

The Offeror will bear its own portion of buyer's ad valorem stamp duty at a rate of HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration payable in respect of relevant acceptances of the Share Offer, or at the market value of the NWM Shares, whichever is greater, and will be responsible to account to the Stamp Office of Hong Kong all the stamp duty payable for sale and purchase of the NWM Shares which are validly tendered for acceptance under the Share Offer.

Payment:

Payment in cash in respect of acceptance of the Share Offer will be made within ten days of the date on which all relevant documents of title are received by the Offeror to render each acceptance complete and valid.

Dealings in the securities of NWM:

None of the Offeror, its beneficial owner and parties acting in concert with any of them has dealt in any securities of NWM during the period commencing on the date falling six months prior to 22 November 2006, being the date of the Acquisition Agreement, and up to the date of this announcement.

THE SHARE OFFER IS A POSSIBILITY ONLY

The Share Offer is a possible unconditional mandatory general cash offer, and it will only be made if the Acquisition Completion takes place pursuant to the Acquisition Agreement. The Acquisition Completion is subject to, among other things, the satisfaction and/or waiver of the conditions precedent under the Acquisition Agreement. Accordingly, the Acquisition Completion may or may not take place and the Share Offer may or may not proceed. The NWM Shareholders and potential investors of NWM are advised to exercise extreme caution when dealing in the securities of NWM.

INTENTION OF THE OFFEROR REGARDING THE REMAINING NWM GROUP

The Offeror intends to continue the principal business of the Remaining NWM Group after the Acquisition Completion and will maintain the listing status of NWM on the Stock Exchange following the close of the Share Offer. Meanwhile, the Offeror will conduct a review on the business operations and financial position of the Remaining NWM Group for the purpose of formulating business plans and strategies for the future business development of the Remaining NWM Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may consider diversifying the business of the Remaining NWM Group with an objective to broaden its income source. However, no such investment or business opportunities have been identified as at the date of this announcement. The Offeror has no intention to re-deploy the employees or the remaining assets of the Remaining NWM Group after the Acquisition Completion other than in its ordinary course of business.

PROPOSED CHANGE OF BOARD COMPOSITION OF NWM

Mr. Lo and Mr. Ho Hau Chong, Norman, both of them being the non-executive directors of NWM, are proposed to be re-designated as the executive directors of NWM with effect from the earliest time permitted under the Takeovers Code. Other directors of NWM comprising (i) the executive directors, namely Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, *JP*, Dr. Wai Fung Man, Norman, Mr. Chow Yu Chun, Alexander and Mr. To Hin Tsun, Gerald; and (ii) the independent non-executive directors, namely Mr. Kwong Che Keung, Gordon and Mr. Hui Chiu Chung, *JP*, are expected to resign following the Acquisition Completion with effect from the earliest time permitted under the Takeovers Code. Mr. Tsui Hing Chuen, William, *JP*, being the independent non-executive director of NWM, is expected to remain on the NWM Board with the same directorship.

The Offeror is in the process of inviting suitable candidates to serve as independent non-executive directors of NWM and the nomination of which is yet to be finalised as at the date of this announcement. Further announcement will be made once the appointment of the new independent non-executive directors of NWM is confirmed.

The biographical details of Mr. Lo and Mr. Ho Hau Chong, Norman are set out below:

Mr. Lo, aged 51, joined NWM in March 2000 and is currently a non-executive director of NWM. Mr. Lo possesses over 20 years of experience in the financial, securities and future industries and over six years of experience in the management of the provision of technology-related business including mobile Internet-related services, which is the principal business of the Technology Business. Mr. Lo is the chairman of New World CyberBase Limited and the deputy chairman of Taifook Securities Group Limited. He is also an executive director of International Entertainment Corporation and a non-executive director of Beijing Beida Jade Bird Universal Sci-Tech Company Limited and Macau Prime Properties Holdings Limited, all of which are companies whose shares are listed on the Stock Exchange.

Mr. Ho Hau Chong, Norman, aged 51, was appointed as a non-executive director of NWM in November 2000. He is an executive director of Miramar Hotel and Investment Company Limited, a non-executive director of each of Taifook Securities Group Limited and Macau Prime Properties Holdings Limited and an independent non-executive director of each of CITIC Pacific Limited, Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited, Shun Tak Holdings Limited and Starlight International Holdings Limited, all of which are companies whose shares are listed on the Stock Exchange. Mr. Ho is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited.

Save for the directorship in NWM, neither Mr. Lo nor Mr. Ho Hau Chong, Norman holds any other positions in the NWM Group. Neither Mr. Lo nor Mr. Ho Hau Chong, Norman has entered into any service contract with NWM, and they are subject to retirement by rotation and re-election pursuant to the articles of association of NWM. Each of Mr. Lo and Mr. Ho Hau Chong, Norman will be entitled to a director's fee as determined by the NWM Board from time to time upon their re-designation as the executive directors of NWM.

As at the date of this announcement, (i) neither Mr. Lo nor Mr. Ho Hau Chong, Norman has any interest in the NWM Shares; (ii) Mr. Lo is interested in 278,000 NWM Options entitling him to subscribe for 278,000 NWM Shares within the meaning of Part XV of the SFO; and (iii) Mr. Ho Hau Chong, Norman is interested in 78,000 NWM Options entitling him to subscribe for 78,000 NWM Shares within the meaning of Part XV of the SFO. Save as disclosed in this announcement, the NWM Board is not aware of any other matters that need to be brought to the attention of the NWM Shareholders in respect of Mr. Lo and Mr. Ho Hau Chong, Norman, and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The Offeror is of the view that the experience of Mr. Lo in technology related businesses as well as the general management and business development expertise of Mr. Ho Hau Chong, Norman would be able to enhance the performance and operations of the Remaining NWM Group, and the business network of each of Mr. Lo and Mr. Ho Hau Chong, Norman would bring more business opportunities to the Remaining NWM Group.

MAINTAINING THE LISTING STATUS OF NWM

The Offeror has no intention to privatise NWM and intends to maintain the listing of the NWM Shares on the Stock Exchange after the close of the Share Offer. The NWM Board will undertake to the Stock Exchange to use its best endeavours to take appropriate steps to ensure that, as soon as possible following the close of the Share Offer, not less than 25% of the issued NWM Shares will be held by the public.

The Stock Exchange has stated that if, at the close of the Share Offer, less than 25% of the issued NWM Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the NWM Shares; and (ii) there are insufficient issued NWM Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the NWM Shares until a level of sufficient public float is attained. In this connection, it should be noted that upon the close of the Share Offer, there may be insufficient public float for the NWM Shares and therefore trading in the NWM Shares may be suspended until a sufficient level of public float is attained.

So long as NWM remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of NWM. Any acquisitions or disposals of assets by the Remaining NWM Group will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require NWM to issue an announcement and a circular to the NWM Shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of the Remaining NWM Group. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of the Remaining NWM Group and any such transactions may result in NWM being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the Listing Rules.

DEALING DISCLOSURE

The respective associates of the Offeror and NWM are reminded to disclose their dealings in the securities of NWM under Rule 22 of the Takeovers Code.

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of the principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

GENERAL

The S&P Agreement and the Special Dividend:

Each of the Disposal and the Set-off constitutes a special deal for NWM under Rule 25 of the Takeovers Code, and therefore requires the consent of the Executive and such consent, if granted, will be conditional upon the approval by the Independent NWM Shareholders voting by poll at the EGM. The Disposal also constitutes a very substantial disposal for NWM under Chapter 14 of the Listing Rules. As the NWD Group is beneficially interested in approximately 58.04% of the issued share capital of NWM as at the date of this announcement, NWD is a connected person of NWM and the Disposal also constitutes a connected transaction for NWM under Chapter 14A of the Listing Rules. As such, the Disposal is subject to the approval by the Independent NWM Shareholders at the EGM by poll. NWD, its associates and parties acting in concert with NWD as well as the Offeror, New World CyberBase Limited, their respective associates and parties acting in concert with any of them shall abstain from voting on the proposed resolution in respect of the Disposal at the EGM.

The Special Dividend will also be put forward to the Independent NWM Shareholders for approval at the EGM.

An independent board committee has been established by NWM to provide recommendation to the Independent NWM Shareholders in respect of the S&P Agreement, the Special Dividend and the Special Deals. CIMB-GK has been appointed as the independent financial adviser to advise the independent board committee of NWM and the Independent NWM Shareholders in respect of the terms of the S&P Agreement, the Special Dividend and the Special Deals.

A circular containing, among other things, further details of the S&P Agreement, the Special Dividend and the Special Deals, a letter of recommendation from the independent board committee of NWM to the Independent NWM Shareholders, a letter of advice from CIMB-GK to the independent board committee of NWM and the Independent NWM Shareholders in relation to the terms of the S&P Agreement, the Special Dividend and the Special Deals, the accountants' report on the NWM Group, the unaudited pro forma financial information on the Remaining NWM Group, further details and expected timetable of the Special Dividend and a notice of the EGM, will be despatched to the NWM Shareholders as soon as practicable in accordance with the requirements of the Listing Rules and the Takeovers Code.

The Share Offer:

Under Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, the Offeror is required to despatch the offer document containing the terms of the Share Offer (accompanied by the acceptance and transfer forms in respect of the Share Offer) to the NWM Shareholders. In addition, NWM is required to send the offeree document in relation to the Share Offer to the NWM Shareholders within 14 days of the posting of the offer document or such later date as the Executive may approve.

It is the intention of the Offeror and NWM that the Composite Offer Document will be jointly despatched by the Offeror and NWM to the NWM Shareholders in respect of the Share Offer. Given that the Share Offer is subject to, among other things, the satisfaction and/or waiver of the conditions precedent to the Acquisition Agreement, it is expected that such conditions precedent cannot be fulfilled within 21 days of the date of this announcement. An application will be made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of the posting of the Composite Offer Document. Further announcement in this respect will be made.

Pursuant to Rule 2.1 of the Takeovers Code, an independent board committee has been established by NWM to advise the Independent NWM Shareholders in connection with the Share Offer. CIMB-GK has been appointed as the independent financial adviser to advise the independent board committee of NWM in respect of the Share Offer. Such appointment has been approved by the independent board committee of NWM.

SUSPENSION AND RESUMPTION OF TRADING IN THE NWM SHARES

At the request of the NWM Board, trading in the NWM Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Tuesday, 14 November 2006 pending the issue and publication of this announcement. Application has been made by NWM to the Stock Exchange for the resumption of trading in the NWM Shares with effect from 9:30 a.m. on Thursday, 23 November 2006.

DEFINITIONS

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

“Acquisition”	the acquisition of the NWM Sale Shares by the Offeror on and subject to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 22 November 2006 entered into among NWD, the Offeror and Mr. Lo in respect of the sale and purchase of the NWM Sale Shares

“Acquisition Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“Acquisition Completion Date”	the date on which the Acquisition Completion shall take place, being the third business day after all the conditions precedent to the Acquisition Agreement have been satisfied or waived (as the case may be) or such other date as may be agreed in writing by the parties to the Acquisition Agreement
“Acquisition Long Stop Date”	28 February 2007 or such other date as NWD and the Offeror may agree in writing
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Cash Consideration”	the remaining balance of the Consideration which shall be paid by NWD in cash upon the Disposal Completion after the Set-off
“CIMB-GK”	CIMB-GK Securities (HK) Limited, a licensed corporation under the SFO to carry on Types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to (i) the independent board committee of NWM and the Independent NWM Shareholders in respect of the terms of the S&P Agreement, the Special Dividend and the Special Deals; and (ii) the independent board committee of NWM in respect of the terms of the Share Offer
“Composite Offer Document”	the composite offer document in connection with the Share Offer proposed to be jointly issued by the Offeror and NWM in accordance with the Takeovers Code
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$2,500 million payable by NWD to NWM under the S&P Agreement
“Convertible Bond”	a convertible bond of an outstanding principal amount of HK\$28,286,000 issued by NWM to NWCBN due 1 November 2007, which is convertible into new NWM Shares at a conversion price of HK\$1.22 per NWM Share (subject to adjustment)
“CSL NWM”	CSL New World Mobility Limited, a company incorporated in Bermuda with limited liability and owned as to 23.6% by NWM through Upper Start and as to 76.4% by Telstra Corporation Limited (the issued shares of which are listed on the Australian Stock Exchange) through one of its subsidiaries

“CSL NWM Group”	CSL NWM and its subsidiaries
“Disposal”	the disposal of the entire issued share capital of Upper Start, and the assignment of the Sale Loan, by NWM to NWD on and subject to the terms and conditions of the S&P Agreement
“Disposal Completion”	completion of the Disposal in accordance with the terms and conditions of the S&P Agreement
“Disposal Completion Date”	the date on which Disposal Completion shall take place, being the third business day after all the conditions precedent to the S&P Agreement have been satisfied or waived (as the case may be) or such other date as NWD and NWM may agree in writing
“Disposal Long Stop Date”	28 February 2007 or such other date as the parties to the S&P Agreement may agree in writing
“EBITDA”	earnings before interest, taxation, depreciation, amortisation and impairment (or reversal of provision) of property, plant and equipment
“EGM”	an extraordinary general meeting to be convened by NWM to consider and, if thought fit, to approve, among other things, the S&P Agreement and the transactions contemplated thereunder and the Special Dividend
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Existing Loans”	loans advanced by New World Finance Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of NWD which holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), to NWM, with an aggregate outstanding principal amount of approximately HK\$1,066.8 million as at the date of this announcement
“HIBOR”	Hong Kong Interbank Offer Rate
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent NWM Shareholders”	being the NWM Shareholders other than NWD, its associates, parties acting in concert with NWD as well as the Offeror, New World CyberBase Limited, their respective associates and parties acting in concert with any of them
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Lo”	Mr. Lo Lin Shing, Simon, the sole beneficial owner of the Offeror and a non-executive director of NWM
“Mr. To”	Mr. To Hin Tsun, Gerald, an executive director of NWM
“NWCBN”	New World CyberBase Nominee Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of NWD
“NWD”	New World Development Company Limited (stock code: 17), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange
“NWD Group”	NWD and its subsidiaries (excluding the NWM Group)
“NWM”	New World Mobile Holdings Limited (stock code: 862), an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“NWM Board”	the board of directors of NWM
“NWM Group”	NWM and its subsidiaries
“NWM Options”	3,116,000 share options which remain outstanding as at the date of this announcement and were granted by NWM to eligible participants conferring on them the rights to subscribe for new NWM Shares pursuant to the share option schemes of NWM adopted on 11 September 1998 (which was subsequently terminated on 28 May 2002) and 28 May 2002 respectively
“NWM Optionholder(s)”	holder(s) of NWM Option(s)
“NWM Sale Shares”	55,336,666 NWM Shares, representing approximately 58.04% of the entire issued share capital of NWM and beneficially owned by the NWD Group as at the date of this announcement
“NWM Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of NWM
“NWM Shareholder(s)”	holder(s) of the NWM Shares
“NWPCS Group”	New World PCS Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CSL NWM, and its subsidiaries, which has become part of the CSL NWM Group on 31 March 2006
“Offeror”	Moral Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially wholly-owned by Mr. Lo

“Overseas NWM Shareholders”	Qualifying NWM Shareholders whose addresses on the Record Date as stated in the register of members of NWM are outside Hong Kong
“PPG”	Power Palace Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of NWD
“PRC”	the People’s Republic of China, which, solely for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qualifying NWM Shareholder(s)”	NWM Shareholder(s) whose name(s) appear(s) on the register of members of NWM at the close of business on the Record Date
“Record Date”	the record date to determine entitlements of the NWM Shareholders to the Special Dividend, which will be determined and announced by NWM
“Remaining NWM Group”	the remaining NWM Group immediately after the Disposal Completion and the declaration of the Special Dividend
“S&P Agreement”	the conditional sale and purchase agreement dated 22 November 2006 entered into between NWM and NWD in relation to the sale and purchase of the entire issued share capital of Upper Start and assignment of the Sale Loan
“Sale Loan”	the entire amount of the interest free shareholder’s loan owing from Upper Start to NWM as at the Disposal Completion Date. As at the date of this announcement, the balance of the Sale Loan is approximately HK\$2,413.8 million
“Set-off”	the partial payment of the Consideration by way of set-off against the aggregate amount owing under the Subscription Note, the Convertible Bond and the Existing Loans as at the Disposal Completion Date pursuant to the S&P Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the possible unconditional mandatory general cash offer to be made by Taifook Securities on behalf of the Offeror for all the issued NWM Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it upon the Acquisition Completion at the Share Offer Price

“Share Offer Price”	the offer price of HK\$0.65 per NWM Share under the Share Offer
“Special Deals”	the Disposal and the Set-off, each of which constitutes a special deal for NWM under Rule 25 of the Takeovers Code
“Special Dividend”	subject to, among other things, and following the Disposal Completion, the proposed declaration of cash dividend of HK\$1.20 per NWM Share (subject to finalisation) by NWM to the Qualifying NWM Shareholders on a pro rata basis
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Note”	a convertible note of an outstanding principal amount of HK\$1,200 million issued by NWM to PPG due on 5 July 2007, which is convertible into new NWM Shares at a conversion price of HK\$1.20 per NWM Share (subject to adjustment)
“Suspension”	the suspension of the trading in the NWM Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 14 November 2006 up to 9:30 a.m. on Thursday, 23 November 2006 pending the issue of this announcement
“Taifook Capital”	Taifook Capital Limited, a licensed corporation under the SFO to carry on Type 6 (advising on corporate finance) regulated activity, being the financial adviser to the Offeror in relation to the Share Offer
“Taifook Securities”	Taifook Securities Company Limited, a licensed corporation under the SFO to carry on Types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities, which will make the Share Offer on behalf of the Offeror upon the Acquisition Completion
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Technology Business”	the provision of technology-related business including mobile Internet-related services in the PRC by the NWM Group
“Upper Start”	Upper Start Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of NWM

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

By the Order of the Board of
Moral Glory International Limited
Lo Lin Shing, Simon
Sole Director

By the Order of the Board of
New World Mobile Holdings Limited
Dr. Wai Fung Man, Norman
*Executive Director and
Chief Executive Officer*

Hong Kong, 22 November 2006

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

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than information relating to the NWD Group, the NWM Group and the CSL NWM Group) and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this announcement (other than information relating to the NWD Group, the NWM Group and the CSL NWM Group) have been arrived at after due and careful consideration and there are no other facts (other than information relating to the NWD Group, the NWM Group and the CSL NWM Group) not contained in this announcement, the omission of which would make any statement in this announcement (other than information relating to the NWD Group, the NWM Group and the CSL NWM Group) misleading.

As at the date of this announcement, the NWM Board comprises (i) executive directors: Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, JP, Dr. Wai Fung Man, Norman, Mr. To Hin Tsun, Gerald and Mr. Chow Yu Chun, Alexander; (ii) non-executive directors: Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman; and (iii) independent non-executive directors: Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, JP and Mr. Tsui Hing Chuen, William, JP.

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