



(Stock Code : 862)

NEW WORLD MOBILE

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended December 31, 2007

		Unaudited Six months ended December 31,	
	Note	2007 HK\$'000	2006 HK\$'000
Turnover	3	318	9,483
Cost of sales		(677)	(5,277)
Gross (loss)/profit		(359)	4,206
Other incomes	4	927	1,371
Selling expenses		(68)	(2,120)
Administrative expenses		(6,267)	(21,414)
Operating loss before finance costs	5	(5,767)	(17,957)
Finance costs	6	-	(52,763)
Operating loss		(5,767)	(70,720)
Share of results of associated companies		-	62,577
Loss before income tax		(5,767)	(8,143)
Income tax expense	7	-	-
Loss attributable to equity holders of the Company		(5,767)	(8,143)
Loss per share for loss attributable to the equity holders of the Company			
- basic	8	(HK\$0.06)	(HK\$0.09)
- diluted	8	(HK\$0.06)	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

As at December 31, 2007

	Note	Unaudited As at December 31, 2007 HK\$'000	Audited As at June 30, 2007 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	4,835	5,383
Investments in associated companies	10	-	-
		4,835	5,383
Current assets			
Trade receivables	11	42	1,185
Prepayments and other receivables		1,025	1,556
Amount due from a related company		813	813
Cash and bank balances		48,641	55,481
		50,521	59,035
Total assets		55,356	64,418
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	13	97,692	97,692
Other reserves		13,886	12,901
Accumulated losses		(60,674)	(54,907)
Total equity		50,904	55,686
LIABILITIES			
Current liabilities			
Trade payables	12	155	190
Accrued charges, other payables, deposits received and deferred income		4,297	8,542
Total liabilities		4,452	8,732
Total equity and liabilities		55,356	64,418
Net current assets		46,069	50,303
Total assets less current liabilities		50,904	55,686

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended December 31, 2007

	Unaudited	
	Six months ended	
	December 31,	
	2007	2006
	HK\$'000	HK\$'000
Net cash outflow from operating activities	(4,648)	(43,766)
Net cash (outflow)/inflow from investing activities	(1,363)	130,769
Net cash outflow from financing activities	-	(95,007)
Net decrease in cash and cash equivalents	(6,011)	(8,004)
Cash and cash equivalents at the beginning of the period	54,652	26,921
Cash and cash equivalents at the end of the period	48,641	18,917
Analysis of cash and cash equivalents:		
Cash and bank balances	48,641	19,718
Less: Restricted bank balances	-	(801)
	48,641	18,917

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended December 31, 2007

	Unaudited			
	Six months ended December 31, 2007			
	Share Capital HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at July 1, 2007	97,692	12,901	(54,907)	55,686
Loss for the period	-	-	(5,767)	(5,767)
Currency translation differences	-	985	-	985
Balance at December 31, 2007	97,692	13,886	(60,674)	50,904

	Note	Unaudited			
		Six months ended December 31, 2006			
		Share Capital HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at July 1, 2006		16,154	(82,905)	(30,538)	(97,289)
Loss for the period		-	-	(8,143)	(8,143)
Proceeds from shares issued	13	2,356	614	-	2,970
Currency translation differences		-	442	-	442
Balance at December 31, 2006		18,510	(81,849)	(38,681)	(102,020)

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NOTES TO THE CONDENSED INTERIM ACCOUNTS

1. GENERAL INFORMATION

New World Mobile Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in technology related business including mobile Internet services in Mainland China.

The Company is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is Room 1502-5, 15/F, New World Tower 1, 16-18 Queen's Road Central, Hong Kong.

The Company is listed on the Stock Exchange of Hong Kong Limited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim accounts (the "Interim Accounts") for the six months ended December 31, 2007 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 Accounts should be read in conjunction with the annual financial statements for the year ended June 30, 2007.

The accounting policies and basis of preparation used in the preparation of the Interim Accounts are consistent with those used in the annual financial statements for the year ended June 30, 2007.

The HKICPA has issued a number of new and revised HKFRSs and HKASs (collectively the "new HKFRSs") which are effective for accounting periods beginning on or after January 1, 2007. The adoption of these new and revised HKFRSs has no material impact on the results and financial position of the Group.

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective. The Directors anticipated that these new HKFRSs are either irrelevant to the Group's operation or adoption of which will not have material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK (IFRIC) – INT 12	Service concession arrangements ²
HK (IFRIC) – INT 13	Customer loyalty programmes ³
HK (IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction ²

¹ Effective for annual periods beginning on or after January 1, 2009.

² Effective for annual periods beginning on or after January 1, 2008.

³ Effective for annual periods beginning on or after July 1, 2008.

3. TURNOVER AND SEGMENT INFORMATION

Primary reporting format – business segments

	The segment results for the period ended December 31, 2007		
	Technology related services	Unallocated items	Total
	HK\$'000	HK\$'000	HK\$'000
Turnover	318	-	318
Segment results	(4,718)	(1,976)	(6,694)
Other incomes	7	920	927
Operating loss			(5,767)
Finance costs	-	-	-
Loss before income tax expense			(5,767)
Income tax expense	-	-	-
Loss attributable to equity holders of the Company			(5,767)
Other segment information			
Depreciation	588	55	643
Capital expenditures	436	-	436

Unallocated items represent corporate expenses.

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The segment results for the period
ended December 31, 2006

	Technology related services HK\$'000	Unallocated items HK\$'000	Total HK\$'000
Turnover	9,483	–	9,483
Segment results	(5,952)	(13,376)	(19,328)
Other incomes	786	585	1,371
Operating loss before finance costs			(17,957)
Finance costs	–	(52,763)	(52,763)
Operating loss			(70,720)
Share of results of associated companies	–	62,577	62,577
Loss before income tax expense			(8,143)
Income tax expense			–
Loss attributable to equity holders of the Company			(8,143)
Other segment information			
Depreciation	563	196	759
Capital expenditures	35	361	396

Unallocated items represent corporate expenses.

The segment assets and liabilities as at December 31, 2007 are as follows:

	Technology related services HK\$'000	Unallocated items HK\$'000	Total HK\$'000
Segment assets	6,937	48,419	55,356
Segment liabilities	3,111	1,341	4,452

The segment assets and liabilities as at June 30, 2007 are as follows:

	Technology related services HK\$'000	Unallocated items HK\$'000	Total HK\$'000
Segment assets	9,050	55,368	64,418
Segment liabilities	7,624	1,108	8,732

Segment assets consist primarily of tangible assets and receivables. They exclude cash and cash equivalents for corporate use.

Segment liabilities comprise operating liabilities.

Secondary reporting format – geographical segments

The Group is operating in two main geographical areas:

Hong Kong: Technology related services

Mainland China: Technology related services

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There are no sales or other transactions between the geographical segments.

	Segment assets	
	As at December 31, 2007 HK\$'000	As at June 30, 2007 HK\$'000
Hong Kong	48,680	55,318
Mainland China	6,676	9,100
	55,356	64,418

	Turnover Six months ended December 31,		Capital expenditure Six months ended December 31,	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Hong Kong	-	-	-	361
Mainland China	318	9,483	436	35
	318	9,483	436	396

4. OTHER INCOMES

	Six months ended December 31,	
	2007 HK\$'000	2006 HK\$'000
Bank interest income	927	597
Recovery of bad debt	-	769
Others	-	5
	927	1,371

5. OPERATING LOSS BEFORE FINANCE COSTS

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

	Six months ended December 31,	
	2007	2006
	HK\$'000	HK\$'000
Auditors' remuneration		
– audit services	450	453
– non-audit services	100	200
Depreciation of property, plant and equipment	643	759
Provision for impairment of trade receivable	401	–
Staff costs, including directors' emoluments	5,180	10,868

6. FINANCE COSTS

	Six months ended December 31,	
	2007	2006
	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
Interest on subscription note	–	24,350
	–	52,763

7. 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% (2006: 15% to 33%). Hong Kong profits tax has been calculated at 17.5% (2006: 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.

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

8. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on the following data:

	Six months ended December 31,	
	2007	2006
	HK\$'000	HK\$'000
Loss attributable to equity holders	5,767	8,143

Number of shares

Weighted average number of ordinary shares in issue for calculation of basic loss per share	97,692,069	95,510,118
Effect of dilutive potential ordinary shares:		
Share options	179,466	-
Weighted average number of ordinary shares in issue for diluted loss per share (Note)	97,871,535	95,510,118

Note:

No diluted loss per share is presented for the six months ended December 31, 2006 as the conversion of convertible bond, subscription note and exercise of outstanding share options would not have dilutive effect on the loss attributable to equity holders.

9. CAPITAL EXPENDITURE

	HK\$'000
Six months ended December 31, 2006	
Opening net book amount at July 1, 2006	6,183
Additions	396
Disposals	(7)
Translation difference	57
Depreciation and amortisation	(759)
Closing net book amount at December 31, 2006	<u>5,870</u>
Six months ended December 31, 2007	
Opening net book amount at July 1, 2007	5,383
Additions	436
Disposals	(341)
Depreciation	(643)
Closing net book amount at December 31, 2007	<u>4,835</u>

10. INVESTMENTS IN ASSOCIATED COMPANIES

	HK\$'000
Six months ended December 31, 2006	
Balance at July 1, 2006	2,142,737
Share of results of associated companies	62,577
Dividend received	(17,228)
Balance at December 31, 2006	<u>2,188,086</u>
Six months ended December 31, 2007	
Balance at July 1, 2007	-
Share of results of associated companies	-
Dividend received	-
Balance at December 31, 2007	<u>-</u>

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11. TRADE RECEIVABLES

The Group allows an average credit period of thirty to sixty days to its subscribers and other customers. The ageing analysis of the trade receivables was as follows:

	As at December 31, 2007 HK\$'000	As at June 30, 2007 HK\$'000
1 – 30 days	27	137
31 – 60 days	10	245
61 – 90 days	1	329
Over 90 days	4	474
	42	1,185

12. TRADE PAYABLES

The ageing analysis of trade payables was as follows:

	As at December 31, 2007 HK\$'000	As at June 30, 2007 HK\$'000
1 – 30 days	13	55
31 – 60 days	14	–
61 – 90 days	29	–
Over 90 days	99	135
	155	190

13. SHARE CAPITAL

	The Company	
	Ordinary shares of HK\$1.00 each	
	No. of shares	HK\$'000
Authorised:		
At June 30, 2007 and December 31, 2007	2,000,000,000	2,000,000
Issued and fully paid:		
Balance at July 1, 2007 and December 31, 2007	97,692,069	97,692
Balance at July 1, 2006	95,336,069	95,336
Issue of shares (Note)	2,356,000	2,356
Balance at December 31, 2006	97,692,069	97,692

Note:

On November 28, 2006, 156,000 ordinary shares of HK\$1.00 each were issued at HK\$1.26 each upon the exercise of share options. On November 30, 2006, 482,000 ordinary shares of HK\$1.00 each were issued at HK\$1.26 each upon the exercise of share options. On December 4, 2006, 1,640,000 and 78,000 ordinary shares were issued at HK\$1.26 each and HK\$1.276 each respectively upon exercise of share options.

14. CAPITAL COMMITMENTS

As at December 31, 2007, there was no material capital commitment (At June 30, 2007: Nil).

15. RELATED PARTY TRANSACTIONS

The Group is controlled by Moral Glory International Limited (incorporated in the British Virgin Islands), which owns 56.66% of the Company's shares. The remaining 43.34% of the shares are widely held. In the opinion of the Directors, the ultimate holding company of the Company is Moral Glory International Limited.

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- (a) The Group undertook the following material transactions with related parties, which were carried out in the normal course of the business during the period:

	Six months ended	
	December 31,	
	2007	2006
	HK\$'000	HK\$'000
Rental expenses paid to fellow subsidiaries	–	(375)
Loan interest paid/payable to a fellow subsidiary	–	(5,476)
Loan interest paid/payable for the promissory note to a fellow subsidiary	–	(22,501)
Interest paid/payable for the convertible bond to a fellow subsidiary	–	(428)
Interest paid/payable for the subscription note to a fellow subsidiary	–	(4,537)

- (b) Period/year end balances with related party are as follows:

	At	At
	December 31,	June 30,
	2007	2007
	HK\$'000	HK\$'000
Receivable from a related company		
Mongolia Energy Corporation (Greater China) Limited	813	813

The related company is a company deemed control by a Director and who is also a substantial shareholder of the Company.

The balance with related party is unsecured, interest free and repayable on demand.

- (c) Key management compensation of the Group for the period is as follows:

	Six months ended	
	December 31,	
	2007	2006
	HK\$'000	HK\$'000
Salaries and other short-term employee benefits	591	3,860

16. SUBSEQUENT EVENTS

- (a) On December 27, 2007, the Company and International Entertainment Corporation ("IEC") entered into the conditional sale and purchase agreement (the "Transaction") in relation to the sale and purchase of the entire issued share capital of Cyber On-Air Group Limited ("COAG") in which the Company has conditionally agreed to purchase and IEC agreed to sell the entire issued share capital of COAG at cash consideration of HK\$2,000,000. The COAG Group is principally engaged in the provision of network solutions and project services. The Transaction is subject to the fulfillment of certain conditions and has not been completed as at the date when these Interim Accounts are approved for issue by the Board of Directors.
- (b) On December 4, 2007, the Company has entered into placing agreement with Tai Fook Securities Company Limited ("Placing Agent") to place 12,000,000 shares of the Company at HK\$6.00 each per share. The Placing Agent informed the Company that there was no placee has been identified due to the volatile stock market situation. The placing has not become unconditional on January 31, 2008 and accordingly the placing agreement was automatically lapsed on the same day.

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MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the last six months the wireless value added services regulatory environment and telecom operators policies continues to tighten causing the overall business environment of the Service Provider ("SP") to be affected greatly. Thus our SP business continues to slow down and the scale of the operation has been restructured accordingly.

As at end of this reporting period, the Chinaquest commercial business (a business unit to offer web based city infotainment service) signed up 10 distributors covering over 20 China cities. Although sign up rate of distributors is positive, however due to fierce competition and slow take up rate of end users, the business have not been able to deliver results as planned.

In response to the current tough business environment, management in the last three months has continued to downsize the operations to control costs further. We are also in the process of seeking new business opportunities and sourcing other acquisition that may help the business positively. For instance, the Group signed an agreement on December 27, 2007 to purchase the entire issued share capital of Cyber On-Air Group Limited and its subsidiaries ("COAG") for a cash consideration of HK\$2 million. COAG is principally engaged in the provision of network solutions and project services.

Financial Review

1. Results analysis

As stated in the 2006/07 annual report, the Company's mobile value added business had been negatively impacted by the environmental changes of China's wireless market and the management did not foresee any significant improvement in the near term. For the six months period ended December 31, 2007, the turnover was dropped approximately 96.8% to HK\$0.3 million (2006: HK\$9.5 million). The significant shrinkage in the turnover was directly attributable to the continue downturn in the mobile value added business. During this difficult period, the Group conducted effective measures in controlling costs. The operating loss before finance costs was trimmed to HK\$5.8 million (2006: HK\$18.0 million). No finance costs were incurred for the six months reporting period because the Group has no gearing and owned sufficient financial resources to support its continuing operations. (2006: HK\$52.8 million).

The loss attributable to the shareholders of the Company for the period ended December 31, 2007 was HK\$5.8 million (2006: HK\$8.1 million). One of the key contributors to the improvement was the reduction of selling and administrative expenses.

2. *Liquidity and financial resources*

As at December 31, 2007, the capital and reserves attributable to the equity holders of the Company was HK\$50.9 million (At June 30, 2007: HK\$55.7 million) and the net asset value per share was HK\$0.52 (At June 30, 2007: HK\$0.57). As at December 31, 2007, the Group had no bank or other borrowings (At June 30, 2007: Nil) and the Group's cash balances was HK\$48.6 million (At June 30, 2007: HK\$55.5 million). With abundant cash balances and no gearing, the Group has sufficient liquidity and financial resources to meet the daily operational needs and investment opportunities (if any).

3. *Financial risk management*

The key operations of the Group are located in Hong Kong and the Mainland China. Therefore, the Group's assets and liabilities are mainly denominated in either Hong Kong dollars, United States dollars or Renminbi (RMB). The Group does not conduct any foreign currency hedging activities since no significant exposure to foreign currency risks are expected.

4. *Pledge of assets*

As at December 31, 2007, no assets are under pledge (At June 30, 2007: bank balances denominated in RMB of certain subsidiaries of the Group in the amount of HK\$0.8 million have been frozen under the PRC court order in relation to claims filed against these subsidiaries).

5. *Contingent liabilities*

The Group has no material contingent liabilities as at December 31, 2007 and June 30, 2007.

Outlook

As a continuous effort, the Board will conduct a detailed review of its business portfolio and strategies with an aim to deploy the Group's resources in an optimal way. It may lead to scale down or adjust area of operations where appropriate.

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As an investment holding company, the Group will actively look into other new business opportunities in order to broaden its revenue basis. During the reporting period, the Group has entered into an agreement to acquire a company engaged in the provision of network solutions and project services. Barring for unforeseen circumstances, the acquisition will be completed in the second half of this financial year.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended December 31, 2007 (2006: Nil).

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at December 31, 2007, the interests or short positions of the directors of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(a) Long positions in the shares

Name of director	Capacity	Number of shares	Percentage of shareholding
Mr. Lo Lin Shing, Simon	Interest of a controlled corporation	55,355,406 (Note)	56.66%
Mr. Ho Hau Chong, Norman	Beneficial owner	78,000	0.07%

Note:

These shares are beneficially owned by Moral Glory International Limited, a company wholly-owned by Mr. Lo Lin Shing, Simon.

(b) Long positions in the underlying shares

Save as disclosed in the section headed "Share Option Scheme", as at December 31, 2007, none of the directors, chief executives and their respective associates had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS UNDER THE SFO

The register of interests in shares and short positions maintained under section 336 of the SFO showed that as at December 31, 2007, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

1. Long position of substantial shareholders in the shares and/or underlying shares

Name	Capacity in which such interest is held	Number of shares	Percentage of nominal value of issued share capital
Ku Ming Mei, Rouisa	Interest of spouse	55,633,406 (Note 1)	56.94%
Moral Glory International Limited	Beneficial owner	55,355,406 (Note 2)	56.66%

Notes:

- Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she is deemed to be interested in 55,633,406 shares under the SFO.
- Moral Glory International Limited is wholly-owned by Mr. Lo Lin Shing, Simon.

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Save as disclosed above and those disclosed under "Directors' interest and short positions", the Company had not been notified of other interests representing 5% or more of the issued share capital of the Company as at December 31, 2007.

SHARE OPTION SCHEME

Under the share option schemes adopted by the Company (the "Option Schemes"), options were granted to certain directors, employees and other eligible participants of the Company entitling them to subscribe for shares of HK\$1.00 each in the capital of the Company.

Details of the movement in outstanding share options, which have been granted under the Option Schemes, during the period are as follows:

Name	Date of grant	Exercise price HK\$	Exercise period	Number of shares subject to options			
				As at July 1, 2007	Granted during the period	Cancelled/ Lapsed during the period	As at December 31, 2007
Director							
Lo Lin Shing, Simon	8/8/2002	2.440	9/2/2002 to 8/2/2008	200,000	-	-	200,000
	28/1/2005	1.260	28/1/2005 to 31/12/2010	78,000	-	-	78,000
				<u>278,000</u>	-	-	<u>278,000</u>

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 December 31, 2007.

EMPLOYEES

As at December 31, 2007, the Group had a total of 82 full-time employees (At June 30, 2007: 79) in Hong Kong and PRC. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective geographical locations and businesses in which the Group operates. The remuneration policies of the Group are reviewed on periodic basis. Apart from retirement schemes, year-end bonuses and share options will be awarded to the employees according to the assessment of individual performance and industry practice. Appropriate training programs are also offered for staff training and development.

CORPORATE GOVERNANCE

The board of directors of the Company (the "Board") recognizes the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles of the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

For the period ended December 31, 2007, the Company has complied with the code provisions of the CG Code with deviations from the code provision A.2.1, A.4.1, A.4.2 and E.1.2 of the CG Code as summarized below:

- i. In accordance with CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual. The Company does not at present has any officer with the title CEO. Mr. Lo Lin Shing, Simon is the chairman of the Company and has also carried out the responsibility of CEO. Mr. Lo possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

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- ii. Under the code provision A.4.1 and A.4.2 of the Code, (a) non-executive directors should be appointed for a specific term and subject to re-election; and (b) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

None of the existing non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, they are subject to the retirement by rotation in accordance with the provisions of the Company's articles of association. As such, 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 Code.

- iii. The code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting ("AGM") of the Company. The chairman did not attend the 2007 AGM due to an urgent business engagement. An executive Director had chaired the 2007 AGM and answered questions from shareholders. The chairman of the audit and remuneration committee was also available to answer questions at the 2007 AGM.

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.

Upon specific enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in Model Code during the six months ended December 31, 2007.

AUDIT COMMITTEE

The audit committee currently comprises Mr. Tsui Hing Chuen, *William JP*, Mr. Lee Kee Wai, Frank and Mr. Lau Wai Piu (chairman of the committee), the three independent non-executive Directors of the Company.

The audit committee has reviewed the unaudited interim accounts of the Group for the six months ended December 31, 2007.

By Order of the Board
New World Mobile Holdings Limited
Lo Lin Shing, Simon
Chairman

Hong Kong, March 12, 2008

During the period, the Board comprises the following members:

Executive directors

Lo Lin Shing, Simon (*Chairman*)

Ho Hau Chong, Norman

Independent non-executive directors

Tsui Hing Chuen, William, *JP*

Lee Kee Wai, Frank

Lau Wai Piu