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

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

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2009

The directors (the "Directors") of New World Mobile Holdings Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group" or "NWM") for the year ended 30 June 2009 together with the comparative figures in the previous year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 HK$'000	2008 HK$'000
Continuing operations:			
Turnover	3	**25,148**	2,903
Cost of sales	5	**(18,449)**	(2,380)
Gross profit		**6,699**	523
Other revenues		**424**	1,235
Other losses — net		**(12)**	(96)
Fair value gain on investment property		**230**	—
Administrative expenses	5	**(10,222)**	(3,950)
Operating loss from continuing operations before income tax		**(2,881)**	(2,288)
Income tax expense	6	**(23)**	—
Loss for the year from continuing operations		**(2,904)**	(2,288)
Discontinued operation:			
Loss from discontinued operation		**(1,555)**	(9,361)
Loss for the year attributable to equity holders of the Company		**(4,459)**	(11,649)

	Note	2009 HK$'000	2008 HK$'000
Loss per share attributable to the equity holders of the Company during the year	8		
From continuing operations and discontinued operation			
— Basic loss per share		**HK$0.05**	HK$0.12
— Diluted loss per share		**HK$0.05**	HK$0.12
From continuing operations			
— Basic loss per share		**HK$0.03**	HK$0.02
— Diluted loss per share		**HK$0.03**	HK$0.02
From discontinued operation			
— Basic loss per share		**HK$0.02**	HK$0.10
— Diluted loss per share		**HK$0.02**	HK$0.10

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2009

	Note	**2009** **HK$'000**	2008 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**681**	4,601
Investment properties		**13,850**	7,370
Goodwill		**3,592**	3,592
		18,123	15,563
Current assets			
Trade receivables	*9*	**5,304**	3,047
Inventories		**1,674**	1,231
Prepayment, deposits and other receivables		**588**	1,069
Restricted bank balances		**—**	1,000
Cash and bank balances		**27,888**	35,000
		35,454	41,347
Total assets		**53,577**	56,910
EQUITY			
Capital and reserves attributable to the Company equity holders			
Share capital		**97,892**	97,892
Other reserves		**16,811**	12,740
Accumulated losses		**(71,015)**	(66,556)
Total equity		**43,688**	44,076
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**286**	—
Current liabilities			
Trade payables	*10*	**5,184**	4,586
Accrued charges, other payables, deposits received and deferred revenue		**3,976**	7,802
Amount due to a related company		**443**	446
		9,603	12,834
Total liabilities		**9,889**	12,834
Total equity and liabilities		**53,577**	56,910
Net current assets		**25,851**	28,513
Total assets less current liabilities		**43,974**	44,076

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in the annual report. These policies have been consistently applied to all the years presented, except certain balances have been reclassified for presentation purpose.

Application of new and revised Hong Kong Financial Reporting Standards

The Group has adopted the following new/revised amendments and interpretations to existing standards ("new HKFRSs") issued by the HKICPA which are effective or have become effective for the Group's financial year beginning 1 July 2008.

HKAS 39 & HKFRS 7 (Amendment)	Reclassification of Financial Assets
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 13	Customer Loyalty Programmes
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs has no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new and revised standards, amendments or interpretations to existing standards that have been issued but are not yet effective:

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKAS 39 (Amendment)	Eligible Hedged Items[2]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate[1]
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[3]
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation[2]
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owner[2]
HK(IFRIC) — Int 18	Transfers of Assets from Customers[4]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods ending on or after 30 June 2009
[4] Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for a business combination for which the acquisition date is on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the adoption of the other new and revised standards, amendments and interpretations to existing standards will have no material impact on the results and the financial position of the Group.

Apart from the above, a number of improvements and minor amendments to HKFRSs have also been issued but are not yet effective for the accounting period ended 30 June 2009 and have not been adopted in these consolidated financial statements.

3. TURNOVER

An analysis of the Group's revenue for the year, for both continuing and discontinued operations, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Network solutions	**15,134**	1,928
Project services	**10,014**	975
	25,148	2,903
Discontinued operation		
Technology related services	**19**	535
	25,167	3,438

4. SEGMENT INFORMATION

Primary reporting format — business segments

For management purposes, the Group is currently organised into three operating divisions which are network solutions, project services and property investments. The Group was also involved in technology related services but the business was discontinued during the year. For details, please refer to note 7.

Network solutions — Provision of total system solution including data networking solution, synchronisation, timing solution, wireless local area network solution and network access control solution.

Project services — Provision of infrastructure installation services which include cellular base station and antenna system installation service, structural cabling installation service and microware installation service.

Property investments — Investments in property market in the PRC.

Technology related services — Provision of internet content services and tele-communication value-added services in the PRC (discontinued during the year).

The segment results for the year ended 30 June 2009 are as follows:

	Continuing operations				Discontinued operation
	Network solutions *HK$'000*	Project services *HK$'000*	Property investments *HK$'000*	Total *HK$'000*	Technology related services *HK$'000*
Turnover	**15,134**	**10,014**	**—**	**25,148**	**19**
Segment results	**4,717**	**1,983**	**(176)**	**6,524**	**(1,647)**
Unallocated expenses				**(10,047)**	**—**
Other revenues				**424**	**1**
Other (losses)/gains, net				**(12)**	**91**
Fair value gain on investment property				**230**	**—**
Loss before income tax				**(2,881)**	**(1,555)**
Income tax expense				**(23)**	**—**
Loss for the year				**(2,904)**	**(1,555)**
Other segment information					
Depreciation	**57**	**12**	**11**	**80**	**71**
Unallocated depreciation				**261**	**—**
				341	**71**
Capital expenditures	**215**	**—**	**82**	**297**	**—**
Unallocated capital expenditures				**32**	**—**
				329	**—**

The segment results for the year ended 30 June 2008 are as follows:

	Continuing operations				Discontinued operation
	Network solutions *HK$'000*	Project services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*	Technology related services *HK$'000*
Turnover	1,928	975	—	2,903	535
Segment results	450	72	—	522	(9,199)
Unallocated expenses				(3,949)	—
Other revenue				1,235	13
Other losses, net				(96)	(175)
Loss before income tax				(2,288)	(9,361)
Income tax expense				—	—
Loss for the year				(2,288)	(9,361)
Other segment information					
Depreciation	3	1	—	4	1,030
Unallocated depreciation				145	—
				149	1,030
Capital expenditures	64	4	—	68	466
Unallocated capital expenditures				383	—
				451	466

The segment assets and liabilities as at 30 June 2009 are as follows:

	Continuing operations					**Discontinued operation**
	Network solutions *HK$'000*	**Project services** *HK$'000*	**Property investments** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*	**Technology related services** *HK$'000*
Segment assets	**3,161**	**4,297**	**14,189**	**31,930**	**53,577**	**—**
Segment liabilities	**2,348**	**3,536**	**770**	**3,235**	**9,889**	**—**

The segment assets and liabilities as at 30 June 2008 are as follows:

	Continuing operations					Discontinued operation
	Network solutions *HK$'000*	Project services *HK$'000*	Property investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*	Technology related services *HK$'000*
Segment assets	1,816	2,604	8,163	39,327	51,910	5,000
Segment liabilities	2,832	2,605	599	4,587	10,623	2,211

Secondary reporting format — geographical segments

The Group is operating in two main geographical areas:

Hong Kong: Network solutions and project services

Mainland China: Technology related services (discontinued during the year) and property investments

There are no sales nor other transactions between the geographical segments.

	Segment assets		**Turnover**		**Capital expenditures**	
	2009 *HK$'000*	2008 *HK$'000*	**2009** *HK$'000*	2008 *HK$'000*	**2009** *HK$'000*	2008 *HK$'000*
Hong Kong	**38,958**	44,242	**25,148**	2,903	**247**	451
Mainland China	**14,619**	12,668	**19**	535	**82**	466
	53,577	56,910	**25,167**	3,438	**329**	917

Revenue from Group's discontinued operation was derived from Mainland China.

5. EXPENSES BY NATURE

Major expenses included in cost of sales, selling expenses and administrative expenses are analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Cost of inventories	**9,773**	1,453
Subcontracting fees for project services	**7,320**	856
Auditor's remuneration	**847**	1,390
Depreciation of property, plant and equipment	**341**	149
Exchange losses — net	**403**	313
Employee benefit expenses, including Directors' emoluments	**6,986**	1,542
Operating lease rentals for land and buildings	**623**	86
Discontinued operation		
Auditor's remuneration	**3**	52
Depreciation of property, plant and equipment	**71**	1,030
Exchange losses — net	**851**	249
Employee benefit expenses, including Directors' emoluments	**543**	7,523
Impairment loss on property, plant and equipment	**—**	165
Operating lease rentals for land and buildings	**98**	593

6. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
Current tax		
— Hong Kong profits tax	**—**	—
— Overseas taxation	**—**	—
	—	—
Deferred tax		
— Origination of temporary differences	**23**	—
Total income tax expense	**23**	—

7. DISCONTINUED OPERATION

During the year, the Group discontinued its technology related services business.

An analysis of the results and cash flows of the discontinued operation is as follows:

	2009 *HK$'000*	2008 *HK$'000*
Turnover	**19**	535
Other revenue	**1**	13
Other gain/(loss), net	**91**	(175)
Staff cost, depreciation and other expenses	**(1,666)**	(9,734)
Loss before income tax	**(1,555)**	(9,361)
Income tax	**—**	—
Loss for the year	**(1,555)**	(9,361)
Net cash used in operating activities	**(564)**	(867)
Net cash generated from/(used in) investing activities	**133**	(319)
Total net cash outflow	**(431)**	(1,186)

There were no assets and liabilities of the discontinued operation as at 30 June 2009.

8. LOSS PER SHARE

The calculations of basic and diluted loss per shares are based on following information:

	2009 *HK$'000*	2008 *HK$'000*
Attributable to the equity holders of the Company, as used in the calculation of basic and diluted loss per shares		
Loss from continuing operations and discontinued operation	**(4,459)**	(11,649)
Loss from continuing operations	**(2,904)**	(2,288)
Loss from discontinued operation	**(1,555)**	(9,361)
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of calculating basic loss per share	**97,892,069**	97,779,192
Effect of dilutive potential ordinary shares *(Note)*:		
Share options	**—**	—
Weighted average number of ordinary shares for diluted loss per share *(Note)*	**97,892,069**	97,779,192

Note:

The diluted loss per share is the same as basic loss per share presented as there was no dilutive effect from the exercise of share options on the loss attributable to shareholders.

9. TRADE RECEIVABLES — GROUP

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**5,333**	3,079
Less: provision for impairment of trade receivables	**(29)**	(32)
Trade receivables — net	**5,304**	3,047

The Group allows an average credit period of 30 to 60 days to its customers. The ageing analysis of trade receivables is as follows:

	2009	2008
	HK$'000	*HK$'000*
1 — 30 days	**2,702**	268
31 — 60 days	**631**	1,128
61 — 90 days	**486**	182
91 — 180 days	**674**	1,198
Over 180 days	**811**	271
	5,304	3,047

10. TRADE PAYABLES — GROUP

The ageing analysis of the trade payables is as follows:

	2009	2008
	HK$'000	*HK$'000*
1 — 30 days	**4,431**	2,813
31 — 60 days	**408**	1,022
61 — 90 days	**76**	69
91 — 180 days	**133**	411
Over 180 days	**136**	271
	5,184	4,586

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 30 June 2009. The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2009 have been agreed by the Group's independent auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2009 (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

It was a challenging year for the Group due to the economic downturn induced by the financial tsunami which swept globally. Unavoidably, the Group has experienced negative impact on its business performance due to the adverse economic environment. However, through the management team's continuous effort, we are still a competitive player in the market offering broadband, multimedia and wireless solutions to the industry by having focus in the two business streams of project services and network solutions.

Due to our proven track record, the Group was appointed as one of the contractors by SmarTone-Vodafone in Hong Kong for their cellular system installation. In addition, the Group is striving to broaden its Project Service business into other areas such as indoor structural cabling, other telecom system installation etc. as well as partnering with other network operators and system manufacturers.

In Network Solutions business, the Group successfully participated in several large scale projects during the year that are meeting our Group's direction and positioning. These projects included:

Television Broadcast Limited (TVB) — the network synchronization of their high definition television digital broadcasting system. This project helps us to further strengthen the Group's expertise on system synchronization as well as preparing ourselves to apply this latest technology in the coming mobile digital broadcasting networks.

Amway Hong Kong Limited — a free Wi-Fi wireless access in their retail outlets and the internal Wi-Fi wireless access in their Hong Kong office. The Group will be benefit from this project by expanding similar applications to other local firms.

CSL Ltd. and Hong Kong Government — for the provision of advanced digital microwave technology to provide broadband wireless access and backhaul. This application helps users to extend their IP network to remote areas. This application will become a new market demand due to the increased bandwidth requirements by both the fixed and mobile operators as well as organisations that are looking for broadband solutions for specific applications such as video surveillance.

The Group's investment properties include a high-ended villa and an office building in Beijing, the PRC. During the year, the Group had appointed a local property agent to locate suitable tenants but in vain. The investment properties remained vacant as at 30 June 2009.

During the year, the management determined to exit the wireless value-added business due to poor business prospect and this exit was completed before the year end.

Financial Review

1. *Results Analysis*

For the year ended 30 June 2009, turnover from continuing operations was HK$25.1 million (2008: HK$2.9 million). The turnover was solely generated from the business of network solutions and project services. These business segments were acquired from an independent third party in late April 2008. The reflection of full year operating results from these business segments accounted for the more than 7 times increase in turnover.

Loss attributable to equity holders was HK$4.5 million (2008: HK$11.6 million).

2. *Liquidity and financial resources*

As at 30 June 2009, the capital and reserves attributable to the equity holders of the Company was HK$43.7 million (2008: HK$44.1 million). The Group had no bank or other borrowings as at 30 June 2009 (2008: Nil) and the bank balances were HK$27.9 million (2008: HK$35 million). The Group has sufficient liquidity and financial resources to meet the daily operational needs and make additional investments should opportunities arise.

3. *Gearing*

The Group has no gearing as at 30 June 2009 (2008: Nil).

4. *Foreign Exchange*

The key operations of the Group are located in Hong Kong and Mainland China. The Group's assets and liabilities are mainly denominated in Hong Kong dollar, United States dollar and Renminbi. The Group does not establish a foreign currency hedging policy. However, the management of the Group continues to monitor foreign exchange exposure and will consider hedging significant currency exposures should the need arises.

5. *Contingent liabilities*

As at 30 June 2009, the Group did not have significant contingent liabilities (2008: Nil).

Outlook

Looking forward in the year of 2009-2010, the management continues to follow our well established business model and is pro-actively seeking new business opportunities, products and solutions in order to strengthen the Group's capability to serve the market.

With the splitting of the Network Solution business into Enterprise solution and Telecom Solution, targeting for different industry segments in early this year, the Group will continue to expand by recruiting additional sales staff with relevant industry expertise to penetrate these different market segments by the promotion of different solutions to meet individual customer's specific needs.

By mid-June 2009, the Group has teamed up with Motorola as their official partner to promote their TETRA trunk radio to the hospitality industry in Hong Kong. TETRA is a digital radio communication system with advanced technology currently used by the public security customers but is now commercialized for commercial use. Motorola is the leading supplier of TETRA in the market. The Group believes that such technology will gradually adopted by commercial users in the coming future.

With the granting of the Broadband Wireless Access (BWA) license by Hong Kong Government to the three mobile operators in Hong Kong, the Group foresees that there will be a higher business demand for both our Project Service and Network Solution businesses. The Group is ready to provide project service management and turn key implementation to these BWA operators by our Project Service Team as well as rolling out latest telecom solutions by our Network Solution Team to enable these operators with the BWA license can set up their network much more quickly by adopting the latest technology such as microwave and synchronization over Ethernet.

The increase in market demand for high bandwidth by both end users and network operators create good business opportunity for the Group's broadband solutions and services by offering microwave, "Mesh" and cabling service to these potential customers in the coming years. Therefore, the management team of the Group will continue to improve and grow our market position and penetration with an objective of long term competitiveness of the business.

HUMAN RESOURCES

As at 30 June 2009, the Group had employed a total of 23 full-time employees (2008: 25) in Hong Kong and Mainland China. 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 are 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The board of directors of the Company (the "Board") recognises 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 year ended 30 June 2009, the Company has complied with the code provisions of the CG Code with deviations from the code provision A.2.1, A.4.1 and E.1.2 of the CG Code as summarised 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.

   Mr. Lo Lin Shing, Simon ("Mr. Lo") 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.

ii. Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election.

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 of the Board did not attend the 2008 AGM due to an urgent business engagement. An executive director had chaired the 2008 AGM and answered questions from shareholders. The chairman of the audit and remuneration committee was also available to answer questions at the 2008 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 throughout the year ended 30 June 2009.

AUDIT COMMITTEE

The audit committee currently consists of three independent non-executive directors.

Composition of Audit Committee Members

Mr. Lau Wai Piu *(chairman of Audit Committee)*

Mr. Lee Kee Wai, Frank

Mr. Tsui Hing Chuen, William, *JP*

The audit committee has reviewed together with the management the consolidated financial statements for the year ended 30 June 2009 of the Group.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The results announcement is required to be published on the website of Hong Kong Exchanges and Clearing Limited (“HKEX”) at www.hkexnews.hk under “Lastest Listed Companies Information” and the Company’s website at www.nwmhl.com.hk respectively. The annual report of the Company for the year ended 30 June 2009 will be dispatched to the shareholders and published on the websites of the HKEX and the Company in due course.

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

Hong Kong, 22 October 2009

As at the date of this announcement, the Board comprises two executive directors namely Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman and three independent non-executive directors namely Mr. Tsui Hing Chuen, Willian, JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank.