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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)

CONNECTED AND MAJOR TRANSACTIONS: PROPOSED ACQUISITION OF THE ENTIRE INTEREST IN GLORY KEY INVESTMENTS LTD AND RESUMPTION OF TRADING

On 9 December 2009 (after trading hours), the Company, the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and assign, and the Company has conditionally agreed to purchase and accept the assignment of, the Sale Share and the Sale Loan of Glory Key at the Transaction Consideration of HK\$96.0 million which will be satisfied (i) as to HK\$50.0 million by way of cash and (ii) as to HK\$46.0 million by the issue of the Loan Note upon Completion and subject to the terms of the Agreement. Upon Completion, Glory Key will cease to be a wholly-owned subsidiary of the Vendor and will become a wholly-owned subsidiary of the Company.

Glory Key was incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Vendor as at the date of the Agreement. The principal asset of Glory Key is the Aircraft. The Vendor is an indirectly wholly-owned subsidiary of the Vendor's Guarantor. Glory Key entered into the Lease Agreement on 3 December 2009. The Lease Agreement is subject to the granting of the approval by the relevant government authorities of the PRC.

As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM. Mr. Lo, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement), is also a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor. As Mr. Lo being a controller of the Company and a substantial shareholder of Glory Key through his interest in the Vendor's Guarantor, the Acquisition also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Mr. Lo and his associates will abstain from voting at the EGM in respect of the proposed resolution approving the Acquisition. The Acquisition will therefore be subject to approval by the Independent Shareholders at the EGM by way of poll.

A circular containing, among other things, (i) further details of the Acquisition; (ii) an accountant's report of Glory Key; (iii) the advice from the independent financial adviser to be appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the Acquisition; (iv) the recommendation from the independent board committee to the Independent Shareholders in relation to the Acquisition; (v) the Valuation Report of the Aircraft; and (vi) a notice convening the EGM, will be despatched by the Company to the Shareholders as soon as possible and in accordance with the requirements of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 10 December 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 14 December 2009.

THE AGREEMENT

Date

9 December 2009, after trading hour

Parties

- (i) New World Mobile Holdings Limited as the Purchaser;
- (ii) Asia Business Aviation Limited as the Vendor; and
- (iii) Mongolia Energy Corporation Limited as the Vendor's Guarantor

The Vendor is an indirect wholly-owned subsidiary of the Vendor's Guarantor. Save that Mr. Lo, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement), is also a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor, to the best of the Directors' knowledge information and belief and having made all reasonable enquiries, the Vendor, the Vendor's Guarantor and their respective ultimate beneficial owners are Independent Third Parties.

Assets to be acquired:

Pursuant to the terms and conditions of the Agreement, the Vendor has conditionally agreed to sell and assign, and the Company has conditionally agreed to purchase and accept the assignment of, the Sale Share and the Sale Loan. The Sale Share representing the entire equity interest in Glory Key. The Sale Loan representing the entire shareholder's loan which has been used to acquire the Aircraft and as the running costs of the Vendor, Glory Key and the Aircraft. The principal asset of Glory Key is the Aircraft.

Consideration:

The Consideration will be satisfied upon Completion as follows:

- (i) as to HK\$50.0 million by cash; and
- (ii) as to HK\$46.0 million by the issue of the Loan Note.

The Company intends to fund the cash portion of the Transaction Consideration through its internal resources.

The Transaction Consideration was determined between the Company and the Vendor after arm's length negotiations with reference to (a) an independent valuation using market value in continued use basis of a preliminary value of US\$12.3 million (equivalent to approximately HK\$95.9 million) (subject to finalisation) as of 30 September 2009, which was made by Jones Lang LaSalle Sallmanns Limited (a third party valuer independent of the Company and the connected persons of the Company); and (b) the revenue to be generated under the Lease Agreement.

The Transaction Consideration is subject to adjustment, if the net asset value (excluding the Aircraft, any value ascribed to the lease under the Lease Agreement and the Sale Loan) of Glory Key ("NAV") as set out in the Completion Accounts (as defined in the Agreement) is in the negative, the cash portion of the Transaction Consideration shall be adjusted downwards by the amount equal to the negative amount of the NAV.

Based on the above, the Directors considered that the terms of the Agreement including the Transaction Consideration, which were arrived at after arm's length negotiations, are fair and reasonable and are in the interest of the Group and the Shareholders as a whole.

Principal terms of the Loan Note

(a) Principal amount

HK\$46.0 million.

(b) Maturity

The second anniversary from the date of issue of the Loan Note.

(c) Interest

4% per annum payable on maturity.

(d) Redemption

The Company may elect to redeem the whole or any part of the Loan Note (in an integral multiple of HK\$1 million) then outstanding together with all interest accrued thereon or any parts thereof from time to time outstanding prior to the maturity date.

Conditions precedent:

Completion of the Agreement is conditional upon, among other things:

- (a) the passing of the requisite ordinary resolution by the shareholders of the Vendor's Guarantor (other than those who are required to abstain from voting under the Listing Rules) at a general meeting of the Vendor's Guarantor approving the entering into of the Agreement and the performance of the transactions contemplated thereunder by the Vendor;
- (b) the passing of the requisite ordinary resolution by the Independent Shareholders at the EGM approving the entering into of the Agreement and the performance of the transactions contemplated thereunder;

- (c) the Purchaser notifying the Vendor in writing that it is reasonably satisfied with all the business, legal and financial due diligence on Glory Key and the title to the Aircraft;
- (d) the Purchaser having received the Valuation Report;
- (e) the Purchaser having received legal opinions relating to Glory Key, the title and rights of Glory Key over the Aircraft and other matters as the Purchaser may reasonably require (in such form and substance reasonably acceptable to the Purchaser);
- (f) all necessary governmental and regulatory approvals in respect of the Lease Agreement at the monthly rent of not less than US\$30,000 (equivalent to HK\$234,000) having been obtained;
- (g) all necessary governmental and regulatory (including the Stock Exchange) approvals or consents (or waivers) required by the parties to the Agreement for the consummation of the transactions contemplated in the Agreement having been obtained;
- (h) all necessary third party approvals or consents (or waivers) required by the parties to the Agreement for the consummation of the transactions contemplated in the Agreement having been obtained;
- (i) the Aircraft being in the completion condition in accordance with the provision as set out in the Agreement;
- (j) the Vendor's warranties remaining true and accurate and not misleading in any material respects at Completion and at all times between the date of the Agreement and Completion (save as otherwise expressly provided in the Agreement); and
- (k) the Purchaser's warranties remaining true and accurate and not misleading in any material respects at Completion and at all times between the date of the Agreement and Completion (save as otherwise expressly provided in the Agreement).

The Purchaser may in its absolute discretion at any time waive the conditions precedent (other than (a), (b), (f), (g) and (h) as mentioned above) by notice in writing to the Vendor, and such waiver may be subject to such terms and conditions as determined by the Purchaser.

Save as aforesaid, if any of the above conditions precedent is not fulfilled (or, where applicable, waived by the Purchaser) on or before 15 March 2010 (or such later date to be agreed between the Vendor and the Purchaser), either party to the Agreement shall be entitled to rescind the Agreement by giving written notice to the other whereupon the provisions of the Agreement shall from such date have no further force and effect and no party shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches thereof).

Completion

Completion shall take place on the third Business Day after the fulfilment or waiver (as the case may be) of the last of the conditions precedent to the Agreement or such other date as the parties to the Agreement may agree in writing.

Immediately after Completion, Glory Key will cease to be a wholly-owned subsidiary of the Vendor and will become a wholly-owned subsidiary of the Company.

INFORMATION ON THE VENDOR AND GLORY KEY

The Vendor is an investment holding company whose sole asset is the holding of interest in Glory Key. Glory Key was incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Vendor whereas the Vendor is an indirect wholly-owned subsidiary of the Vendor's Guarantor. The principal asset of Glory Key is the Aircraft. The Aircraft was manufactured and released on September 2005 and has two engines, auxiliary power unit, loose and ground support equipment and spare parts, and is capable of carrying up to 10 passengers. Its maximum travelling range is up to 6,301 k.m.. The carrying value of the Aircraft as at 31 March 2009 was approximately HK\$124.0 million.

Pursuant to the Lease Agreement, Glory Key has agreed to lease the Aircraft to Business Aviation Asia Limited for an initial term of 12 months (with an option to renew for a further term of 12 months) at the monthly rent of US\$40,000 (equivalent to HK\$312,000). The Lease Agreement is subject to the granting of the approval by the relevant government authorities of the PRC.

Business Aviation Asia Limited was incorporated in the PRC with limited liability and is principally engaged in aircraft charter, aircraft management and related business. Business Aviation Asia Limited is 43% owned by an indirectly wholly-owned subsidiary of the Vendor's Guarantor.

Set out below is the unaudited financial information of Glory Key for each of the two years ended 31 March 2008 and 2009 prepared in accordance with HKFRS:

	(Unaudited) 31 March 2008 HK\$'000	(Unaudited) 31 March 2009 HK\$'000
Turnover	3,043	2,005
Net Losses	14,821	18,336
Net Assets	120,956	118,850

The net losses of Glory Key were arising from the depreciation of the Aircraft and the related owner's costs such as crew salaries, repairs and maintenance and other administrative expenses.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of network solutions, project services, and property investment. The Group has been looking for other investment opportunities in order to maximize the return to the Shareholders.

The management of the Company believes that the proposed Acquisition is a viable investment in particular under the existing low interest rate environment. The Lease Agreement (subject to PRC governmental approval) will provide a stable stream of revenue of USD40,000 (equivalent to HK\$312,000) per month to Glory Key for at least the next 12 months. Upon the commencement of the Lease Agreement, Glory Key will no longer require to bear the owner's costs relating to the Aircraft such as crew salaries, repairs and maintenance and other administrative expenses. Under the Lease Agreement (pending approval by the relevant PRC's government authority(ies)), the lessee to the Lease Agreement will bear such owner's costs on behalf of Glory Key. Although Glory Key generated a net loss of approximately HK\$14.8 million and HK\$18.3 million for the two years ended 31 March 2008 and 2009 respectively, it is expected to suffer from accounting losses (which mainly comprises the non-cashflow items, such as, the Aircraft depreciation) but generate a net positive cash inflow for the forth coming year. The Directors considered that the charter flight business is hitting by the current

depressed market. The Lease Agreement can provide downside protection to Glory Key during this interim period. A rebound in the global economy will eventually lead to the improvement in the private jet charter business. Accordingly, the aircraft charter out rate as well as aircraft leasing amount should be improved. With the new business model adopted by Glory Key which leading to the reduction on the owner's costs and the regular revenue being generated under the Lease Agreement, it is expected that the financial performance of Glory Key should be improved in the long run. As such, the Directors considered the Acquisition is fair and reasonable and the entering into the Agreement is in the interests of the Group and the Shareholders as a whole.

As the Aircraft will be stationed in the PRC and operated by the lessee to the Lease Agreement, approval of the Lease Agreement by the relevant PRC's government authority(ies) including 中國民用航空總局 (General Administration on Civil Aviation of China) is required. Based on the Transaction Consideration of HK\$96.0 million, the rental yield for the Lease Agreement will be approximately 3.9% per annum. Even if the monthly rent of the Lease Agreement approved by the PRC government authority be adjusted to US\$30,000 (equivalent to HK\$234,000), the rental yield for the Lease Agreement will be approximately 2.93% per annum. The charter flight business is hitting by the current depressed market which in turn affects the capital value of used private jets. The management of the Company believes that a rebound in the global economy will lead to a recovery for business aircraft and the Aircraft may appreciate in capital value (if any). Furthermore, the Board believes that the air passenger market in the PRC presents opportunities for further growth in the charter flight services, as it remains relatively under-penetrated as compared with the more developed markets.

As such, the Board considered that the Acquisition would (i) enable the Group to expand its scope of business; and (ii) broaden the revenue base of the Group. The 4% interest payable under the Loan Note was arrived at after arm's length negotiation between the Vendor and the Company with reference to the prevailing interest rate charged on mortgage loan in Hong Kong between the ranges of 2.5% to 2.75% and the market rate of 5.4% charged on similar finance lease. Based on the above, the Directors believed that the 4% interest payable under the unsecured Loan Note is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

In light of the above, the Board believed that the Acquisition is in the interests of the Group and the Shareholders as a whole. Upon Completion, Glory Key will become a wholly-owned subsidiary of the Company and its results will be consolidated into the accounts of the Group.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of Announcement	Activities	Net proceeds	Intended use of the proceeds	Actual use of the proceeds up to the date of this announcement
2 November 2009	Top-up placing	Approximately HK\$57.9 million (Note)	To be used for general working capital of the Group	Nil

Note: The net proceeds was deposited with a licenced bank in Hong Kong.

Save as disclosed above, the Company has not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

GENERAL

As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM. Mr. Lo, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement), is also a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor's Guarantor as at the date of the Agreement) of the Vendor's Guarantor. As Mr. Lo being a controller of the Company and a substantial shareholder of Glory Key through his interest in the Vendor's Guarantor, the Acquisition also constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. Mr. Lo and his associates will abstain from voting at the EGM in respect of the proposed resolution approving the Acquisition. The Acquisition will be subject to approval by the Independent Shareholders at the EGM by way of poll.

A circular containing, among other things, (i) further details of the Acquisition; (ii) an accountant's report of Glory Key; (iii) the advice from the independent financial adviser to be appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the Acquisition; (iv) the recommendation from the independent board committee to the Independent Shareholders in relation to the Acquisition; (v) the Valuation Report of the Aircraft; and (vi) a notice convening the EGM, will be despatched by the Company to the Shareholders as soon as possible and in accordance with the requirements of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 10 December 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 14 December 2009.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement
“Agreement”	the conditional sale and purchase agreement dated 9 December 2009 entered into by the Vendor, the Vendor's Guarantor and the Company in relation to the Acquisition
“Aircraft”	the Gulfstream G200 aircraft, particulars of which are set out and described in the Agreement
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors

“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business;
“Company” or “Purchaser”	New World Mobile Holdings Limited (stock code: 862), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Acquisition
“Glory Key”	Glory Key Investments Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Vendor’s Guarantor as at the date of the Agreement
“Group”	the Company and its subsidiaries
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholders other than those who are required to abstain from voting at the EGM in respect of the proposed resolution approving the Acquisition as required by the Listing Rules (including Mr. Lo and his associates)
“Independent Third Party(ies)”	independent third party(ies) who, to the best of the Directors’ knowledge and information and having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected persons
“Lease Agreement”	the lease agreement dated 3 December 2009 entered into between Glory Key as the lessor and Business Aviation Asia Limited (亞聯公務機有限公司) as the lessee for the leasing of the Aircraft for an initial term of 12 months (with an option to renew for a further term of 12 months) at a monthly rent of US\$40,000 (equivalent to HK\$312,000). This lease agreement is subject to the granting of the approval by the relevant government authorities of the PRC.

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Consideration”	being the Transaction Consideration less the Share Consideration
“Loan Note”	4% note due 2012 in the principal amount of HK\$46 million to be issued by the Company to the Vendor pursuant to the Agreement
“Mr. Lo”	Mr. Lo Lin Shing, Simon, being a Director and the controlling Shareholder (holding approximately 47.12% of the entire issued share capital of the Company as at the date of the Agreement) and a director and a substantial shareholder (holding approximately 19.68% of the entire issued share capital of the Vendor’s Guarantor as at the date of the Agreement) of the Vendor’s Guarantor
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Loan”	the entire amount of the unsecured and interest free shareholder’s loan owing from Glory Key to the Vendor as at Completion which was approximately HK\$177.2 million as at 30 September 2009.
“Sale Share”	one share of Glory Key beneficially owned by the Vendor as at the date of the Agreement, representing the entire issued share capital of Glory Key
“Share(s)”	share(s) of HK\$1.00 each in the issued share capital of Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Consideration”	US\$1.00 being the consideration payable for the Sale Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Consideration”	the aggregate purchase price for the Sale Share and the Sale Loan
“Valuation Report”	the independent valuation report in relation to the valuation on the Aircraft by Jones Lang LaSalle Sallmanns Limited, the independent valuers
“Vendor”	Asia Business Aviation Limited, a company incorporated in the British Virgin Islands with limited liability, is an indirect wholly-owned subsidiary of the Vendor’s Guarantor
“Vendor’s Guarantor”	Mongolia Energy Corporation Limited (stock code: 276), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“k.m.”	kilometer
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 11 December 2009

As at the date hereof, the Board comprises five Directors, of which Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman are executive Directors, Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu, and Mr. Lee Kee Wai, Frank are independent non-executive Directors.

For the purpose of illustration only, amounts denominated in US\$ in this announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.80. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.