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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

The directors (the "Directors") of New World Mobile Holdings Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2008 together with the comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 December 2008

	Note	**Unaudited Six months ended 31 December 2008** *HK$'000*	2007 *HK$'000* (Restated)
Continuing operations:			
Turnover	2	**13,239**	—
Cost of sales		**(9,972)**	—
Gross profit		**3,267**	—
Other revenues		**214**	920
Other gains/(losses) — net		**16**	(81)
Administrative expenses		**(4,903)**	(1,895)
Operating loss from continuing operations		**(1,406)**	(1,056)
Income tax expense	3	**(59)**	—
Loss for the period from continuing operations		**(1,465)**	(1,056)
Discontinued operation:			
Loss from discontinued operation	4	**(724)**	(4,711)
Loss for the period attributable to equity holders of the Company	5	**(2,189)**	(5,767)
Loss per share attributable to the equity holders of the Company during the period	6		
From continuing operations and discontinued operation			
— Basic loss per share (HK cents)		**(2.2)**	(5.9)
— Diluted loss per share (HK cents)		**(2.2)**	(5.9)
From continuing operations			
— Basic loss per share (HK cents)		**(1.5)**	(1.1)
— Diluted loss per share (HK cents)		**(1.5)**	(1.1)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Note	**Unaudited As at 31 December 2008** *HK$'000*	Audited As at 30 June 2008 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*7*	**4,471**	4,601
Investment property		**7,370**	7,370
Goodwill		**3,592**	3,592
		15,433	15,563
Current assets			
Trade receivables	*8*	**5,682**	3,047
Inventories	*9*	**1,552**	1,231
Prepayments, deposits and other receivables		**974**	1,069
Restricted bank balance	*10*	**1,000**	1,000
Cash and bank balances		**30,367**	35,000
		39,575	41,347
Total assets		**55,008**	56,910
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**97,892**	97,892
Other reserves		**12,814**	12,740
Accumulated losses		**(68,745)**	(66,556)
Total equity		**41,961**	44,076
LIABILITIES			
Current liabilities			
Trade payables	*11*	**5,333**	4,586
Accrued charges, other payables, deposits received and deferred revenue		**7,271**	7,802
Amount due to a related company		**443**	446
Total liabilities		**13,047**	12,834
Total equity and liabilities		**55,008**	56,910
Net current assets		**26,528**	28,513
Total assets less current liabilities		**41,961**	44,076

NOTES TO THE CONDENSED INTERIM ACCOUNTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated interim accounts (the "Interim Accounts") for the six months ended 31 December 2008 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These condensed consolidated financial statements have been prepared on the historical cost basis except for investment property which is measured at fair value.

In addition, in accordance with HKFRS 5, the result of the operation of the technology related services of the Group has been presented as discontinued operation in the unaudited condensed consolidated interim income statement of the Group for the six months ended 31 December 2008, and the 2007 comparative figures for the unaudited condensed consolidated interim income statement were also re-presented as discontinued operation ,accordingly. For details, please refer to Note 4.

The accounting policies and basis of preparation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 30 June 2008.

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 1 January 2008. The adoption of these new and revised HKFRSs has no material impact on the results and financial positions of the Group.

The Group has not early adopted the following new HKFRSs 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 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HKAS 39 (Amendment)	Eligible Hedged Items [2]
HKFRS 1 (Revised)	First-time Adoption of HKFRS [2]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations [2]
HKFRS 8	Operating Segments [1]
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 [3]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owner [2]
HK(IFRIC)-Int 18	Transfer of Assets from Customers [5]
HKFRSs (Amendments)	Improvements to HKFRSs [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 beginning on or after 1 October 2008.
[4] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
[5] Effective for transfer on or after 1 July 2009.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent'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 application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. TURNOVER AND SEGMENT INFORMATION

For management purposes, the Group is currently organized into three operating divisions — network solutions, project services and property investment. These divisions are the basis on which the Group reports its primary segment information.

The Group was also involved in technology related services but the operation was discontinued during the period. For details, please refer to note 4.

There are no sales or other transactions between business segments.

(a) Primary reporting format — business segments

For the six months ended 31 December 2008

	Continuing operations				**Discontinued operation**
	Network solutions	**Project services**	**Property investment**	**Total**	**Technology related services**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	8,628	4,611	—	13,239	19
Segment results	2,563	703	(54)	3,212	(816)
Unallocated corporate expenses				(4,848)	—
Other revenues				214	1
Other gains — net				16	91
Loss before taxation				(1,406)	(724)
Income tax expense				(59)	—
Loss for the period				(1,465)	(724)

For the six months ended 31 December 2007

	Continuing operation	Discontinued operation
	Unallocated items	Technology related services
	HK$'000	*HK$'000*
Turnover	—	318
Segment results	—	(4,718)
Unallocated corporate expenses	(1,895)	—
Other revenues	920	7
Other losses	(81)	—
Loss before taxation	(1,056)	(4,711)
Income tax expense	—	—
Loss for the period	(1,056)	(4,711)

(b) Secondary reporting format — geographical segments

The Group is operating in two main geographical areas:

Hong Kong: Network solutions and project services (2007: Nil).

Mainland China: Technology related services and property investment (2007: Technology related services).

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

	Turnover Six months ended 31 December	
	2008	2007
	HK$'000	*HK$'000*
Hong Kong	**13,239**	—
Mainland China	**19**	318
	13,258	318

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

3. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the period.

	Six months ended 31 December	
	2008	2007
	HK$'000	*HK$'000*
Current income tax — Hong Kong profits tax	**59**	—

No provision for overseas taxation (2007: Nil) has been made for the period as subsidiaries of the Group have no assessable profit for the period.

4. DISCONTINUED OPERATION

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

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

	Six months ended 31 December	
	2008	2007
	HK$'000	*HK$'000*
Revenue	**19**	318
Other income	**1**	7
Other gains	**91**	—
Staff cost, depreciation and other expenses	**(835)**	(5,036)
Loss for the period	**(724)**	(4,711)
Net cash used in operating activities	**(564)**	(699)
Net cash generated from/(used in) investing activities	**133**	(317)
Total net cash outflow	**(431)**	(1,016)

5. LOSS FOR THE PERIOD

Loss for the period has been arrived at after crediting and charging:

	Six months ended 31 December	
	2008	2007
	HK$'000	*HK$'000*
Crediting		
Bank interest income	**155**	927
Charging		
Auditors' remuneration		
— audit services	**641**	450
— non-audit services	**60**	100
Depreciation of property, plant and equipment	**242**	643
Provision for impairment of trade receivables	**—**	401
Employee benefit expenses, including directors' emoluments	**3,036**	5,180
Operating lease rentals for land and buildings	**391**	410

6. LOSS PER SHARE

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

	Six months ended 31 December	
	2008	2007
	HK$'000	*HK$'000*
		(Restated)
Loss from continuing operations and discontinued operation attributable to the equity holders of the Company, as used in the calculation of basic and diluted loss per shares	**(2,189)**	(5,767)
Loss from continuing operations attributable to the equity holders of the Company, as used in the calculation of basic and diluted loss per shares	**(1,465)**	(1,056)

	Number of Shares Six months ended 31 December	
	2008	2007
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of calculating loss per share *(Note)*	**97,892,069**	97,692,069

Note:

The computation of 2008 and 2007 diluted loss per share from continuing operations does not assume the exercise of share options as the impact of exercise of share options is anti-dilutive. The denominators used are the same as those detailed above for basic and diluted loss per share from continuing operations and discontinued operation.

From discontinued operation

Basic loss per share from discontinued operation is HK cents 0.7 per share (2007: HK cents 4.8 per share) and diluted loss per share from the discontinued operation is HK cents 0.7 per share (2007: HK cents 4.8 per share), based on the loss for the period from the discontinued operation of approximately HK$724,000 (2007: HK$4,711,000) and the denominators detailed above for both basic and diluted loss per share.

7. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$82,000 on leasehold improvements and HK$71,000 on office equipments. The Group disposed of motor vehicles with net book value of HK$41,000 for a consideration of approximately HK$132,000, resulting in a gain on disposal of approximately HK$91,000 which was included in loss from discontinued operation.

8. TRADE RECEIVABLES

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

	As at 31 December 2008 *HK$'000*	As at 30 June 2008 *HK$'000*
1 — 30 days	**3,646**	268
31 — 60 days	**477**	1,128
61 — 90 days	**424**	182
Over 90 days	**1,135**	1,469
	5,682	3,047

9. INVENTORIES

	As at 31 December 2008 HK$'000	As at 30 June 2008 HK$'000
Raw materials	**52**	200
Work in progress	**816**	843
Finished goods	**684**	188
	1,552	1,231

The cost of inventories recognised as expense and included in cost of sales amounted to HK$9,972,000 (2007: Nil).

10. RESTRICTED BANK BALANCE

	As at 31 December 2008 HK$'000	As at 30 June 2008 HK$'000
Restricted bank balance *(Note)*	**1,000**	1,000

Note:

Restricted bank balance denominated in HK dollar represents mandatory reserve deposits placed by a subsidiary in a bank as pledges against facilities granted.

11. TRADE PAYABLES

The ageing analysis of trade payables was as follows:

	As at 31 December 2008 HK$'000	As at 30 June 2008 HK$'000
1 — 30 days	**4,479**	2,813
31 — 60 days	**80**	1,022
61 — 90 days	**200**	69
Over 90 days	**574**	682
	5,333	4,586

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

1. Network solutions and project services

The Group acquired Cyber On-Air Group Limited ("COAG") in April 2008. COAG and its subsidiaries have substantial experience in the provision of network solutions and project services. Through COAG's constant efforts, it continues itself as a competitive player of wireless, broadband, multimedia technologies in Hong Kong. COAG's business model mainly concentrated in the businesses of network solutions and project services. Among the successful cases in the reporting period, COAG has created some new records.

In network solutions business, COAG has successfully clinched large projects, in leveraging its strengths and leadership in wireless applications, network security and network synchronization technologies, with the customers of:

- Hong Kong Housing Society for the free WiFi wireless access services for a shopping mall of one of the public estates — which strengthen the advantages of COAG to expand similar applications for the rest of the public estates over the city;

- Vocational Training Council for the data security of Intrusion Prevention System (IPS) — which introduced the path for COAG to enter the market with the latest and advanced technology of data security in Hong Kong;

- Television Broadcast Limited (TVB) for the network synchronization of the HDTV digital broadcasting network — which created the new market applying synchronization technology in digital TV broadcasting and the coming mobile TV broadcasting networks; and

- CSL for the provision of wireless IP networking using advanced microwave communication technologies — which is a new market demand among all the fixed and mobile network operators.

In project services business, COAG continues its leading position in providing services of project management and turn-key implementation for mobile service providers. Apart from the major accounts in CSL and ZTE Corporation, COAG also secures a new account of SmarTone Vodafone. Moreover, at the end of the reporting period, COAG entered the agreement with Ericsson and becomes its authorized partner in the outsourcing services of implementation and maintenance services of wireless systems and networks.

In an overall review, COAG also experienced the negative impact in the business in terms of revenues and profits due to the economic downturn from September 2008. However, with the new business development and untiring efforts, COAG had gained improvement in business activities at the end of the calendar year 2008.

2. Property investment

The Company acquired an investment property (the "Property") in Beijing, the People's Republic of China ("PRC") in June 2008 and the related renovation works were completed during the reporting period. The Property is a high-ended villas aimed at foreign tenants. The global financial turmoil since September 2008 caused a sluggish demand in Beijing's property rental market in particular of the high-ended segment. A number of companies have reduced their expatriate headcounts in PRC as well as lowering housing budgets for the remaining expatriate staff placing further pressure on rents. The Property remained vacant as at 31 December 2008.

3. Wireless value-added business

The wireless value-added business during the reporting period dwindled to a level which was negligible. The development of this business segment has been closely monitored by the Group. The Group considered the poor past performance and the prospects of this segment then concluded that this business segment should be terminated immediately in order for the senior management to focus on the existing business of network solutions, project services and property investment. No material impairment and related provisions were required for the closure of this business segment in this reporting period.

Financial Review

1. Results Analysis

For the six months period ended 31 December 2008, turnover from continuing operations was HK$13.2 million (2007: Nil). The turnover was solely generated from the business of network solutions and project services.

Loss attributable to equity holders was HK$2.2 million (2007: HK$5.8 million).

2. Liquidity and financial resources

As at 31 December 2008, the capital and reserves attributable to the equity holders of the Company was HK$42.0 million (At 30 June 2008: HK$44.1 million). The Group had no bank or other borrowings as at 31 December 2008 (At 30 June 2008: Nil) and the bank balances were HK$31.4 million (At 30 June 2008: Hk$36.0 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 31 December 2008 (At 30 June 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 31 December 2008, the Group did not have significant contingent liabilities (At 30 June 2008: Nil).

Outlook

Looking forward in 2009, the management team is seeking new business, products and solutions so as to strengthen the Group's capability to expand the network solutions and project services markets.

The recent technological changes in the communications market create room for the Group's business to grow. The followings are some major trends in the market:

- the rapid development of the network technology towards IP technologies of Metro-Ethernet and wireless IP;
- the evolution of the mobile services from 3rd Generation ("3G") to 3.5G and 4G technologies of Broadband Wireless Access (LTE and WiMAX);
- the enhancement of wireless access technologies with better coverage and service from WiFi 802.11a/b/g to next generation WiFi 802.11n;
- the increasing awareness of network security issues in most market segments (government, public utilities and enterprises) is generating growing demand of data security products and solutions; and
- the new development of the multimedia applications (mobile TV, digital signage) riding on the fast growing bandwidth of the communication networks and Internet.

All the above technological changes are matching with the strategic direction of the Group — Broadband, Multimedia and Wireless applications.

To cope with the market development, the Group enhances the organization structure and business model in COAG in order to have better resource utilization and more focusing in serving our customers.

The network solutions business splits into

- 'Telecom Solutions' targeting the large-scale public networks and private networks in government, public utilities and carriers, with advanced wireless IP and transmission technologies,
- 'Enterprise Solutions' targeting the communication and IT networks of enterprises, with wireless access, multimedia and data security technologies.

The project services business and engineering services expand the partnership of outsourcing services to manufacturers, government and public utilities.

In view of the PRC market, the vast stimulus package as announced by the PRC government in November 2008 will initiate a lot of opportunities of market demands of information technologies. PRC will be the best market for business opportunities in the world in the coming years. To tap this substantial market, the Group also has the roadmap to expand the business to PRC, leveraging on the successful business model and aggregated experience in Hong Kong.

In the foreseeable future, it is envisaged that the market situation is not optimistic with great challenge in the economic downturn. The Group will closely monitor the market changes and react strategically as to optimize the top line growth and the cost control issues. The management team of the Group remains optimistic in growing of its market leading position with technologies in Broadband, Multimedia and Wireless in Greater China Region in the long run.

For the Property, the Company has appointed a PRC property agent to assist the renting out of the Property as soon as practicable.

Employees

As at 31 December 2008, the Group had a total of 21 full-time employees (at 30 June 2008: 25) 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 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.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 31 December 2008 (2007: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2008.

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 31 December 2008, 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.

   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 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 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 during the six months ended 31 December 2008.

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 audit 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 31 December 2008.

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

Hong Kong, 18 March 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. Lee Kee Wai, Frank and Mr. Lau Wai Piu are independent non-executive directors.