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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Placing Agent



TAIFOOK SECURITIES COMPANY LIMITED

On 2 November 2009 (after trading hours), the Vendor and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has appointed the Placing Agent to sell, on its behalf, the Placing Shares by way of private placing and the Placing Agent has agreed to act as the sole placing agent for the Vendor to procure purchasers for the Placing Shares of up to 19,578,000 Shares at the Placing Price of HK\$3.00 per Placing Share on a best effort basis.

On 2 November 2009 (after trading hours), the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor has conditionally agreed to subscribe for such number of Subscription Shares equivalent to the number of Placing Shares actually sold by the Vendor under the Placing Agreement at the Subscription Price of HK\$3.00 per Subscription Share.

The maximum number of 19,578,000 Placing Shares represent (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of 19,578,000 Subscription Shares).

Assuming the maximum number of 19,578,000 Placing Shares will be sold by the Vendor under the Placing, the shareholding of the Vendor and parties acting in concert with it in the Company will be reduced from approximately 56.55% to approximately 36.55% upon completion of the Placing and will then be increased to approximately 47.12% upon completion of the Subscription.

Based on the maximum number of 19,578,000 Subscription Shares to be subscribed by the Vendor under the Subscription, the maximum gross proceeds of the Subscription will be approximately HK\$58.7 million and the maximum net proceeds of the Subscription will be approximately HK\$57.9 million which are intended to be used for general working capital purposes of the Group.

THE PLACING AGREEMENT

Date: 2 November 2009 (after trading hours)

Parties: (a) the Vendor; and
(b) the Placing Agent.

The Vendor is wholly owned by Mr. Lo and is a controlling Shareholder (as defined in the Listing Rules) of the Company which holds 55,355,406 Shares, representing approximately 56.55% of the issued Share capital of the Company as at the date of this announcement.

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is a third party independent of and not connected with or acting in concert with (i) the Vendor and parties acting in concert with it; and (ii) the Company, its subsidiaries and their respective directors, chief executives and substantial shareholders, and their respective associates.

The Placing

The Vendor has appointed the Placing Agent to sell, on its behalf, the Placing Shares by way of private placement and the Placing Agent has agreed to act as the sole placing agent for the Vendor to procure purchasers for the Placing Shares of up to 19,578,000 Shares at the Placing Price of HK\$3.00 per Placing Share on a best effort basis.

Number of Placing Shares to be placed

A maximum of 19,578,000 Placing Shares, which represent (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of 19,578,000 Subscription Shares).

Placees

The Placing Agent undertakes to the Vendor that the Placing Shares will be placed to at least six Placees that are independent of and not connected with or acting in concert with (i) the Vendor and parties acting in concert with it; and (ii) the Company, its subsidiaries and their respective directors, chief executives and substantial shareholders, and their respective associates.

Placing Price

The Placing Price of HK\$3.00 per Placing Share represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$3.60 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 10.34% to the average closing price of HK\$3.35 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a discount of approximately 15.78% to the average closing price of HK\$3.56 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined with the prevailing market price of the Shares and was negotiated on an arm's length basis between the Vendor and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placing commission to the Placing Agent

The Placing Agent will receive a placing commission in Hong Kong dollars equals to 1% of the aggregate Placing Price for the Placing Shares successfully placed by it.

Rights

The Placing Shares will be sold free of all encumbrances whatsoever and together with all rights attaching thereto as at the date of completion of the Placing, including the right to receive all dividends or other distributions declared, made or paid on or after the date of completion of the Placing.

Completion of the Placing

The Placing is not subject to any condition and completion of the Placing will take place on 5 November 2009 (or such other date as the Vendor and the Placing Agent may agree in writing).

THE SUBSCRIPTION AGREEMENT

Date: 2 November 2009 (after trading hours)

Parties: (a) the Vendor; and
(b) the Company.

Number of Subscription Shares

A maximum of 19,578,000 Subscription Shares, the actual number of which shall be the same as the number of Placing Shares finally sold by the Vendor under the Placing. The maximum number of 19,578,000 Subscription Shares represent (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of 19,578,000 Subscription Shares).

Subscription Price

The Subscription Price per Subscription Share is equivalent to the Placing Price of HK\$3.00 per Placing Share.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of completion of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon:

- (a) completion of the Placing having occurred pursuant to the terms of the Placing Agreement;
- (b) listing of, and permission to deal in, the Subscription Shares being granted by the Listing Committee of the Stock Exchange; and
- (c) if applicable, the Executive granting to the Vendor and parties acting in concert with it (if any) a waiver of the obligation to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Vendor or any parties acting in concert with it (if any) as a result of the transaction contemplated by the Placing and the Subscription.

None of the conditions stated above can be waived. The Company and the Vendor shall use their respective best endeavours to procure the fulfilment of the conditions set out above. In the event that all of the above conditions cannot be fulfilled on or prior to 13 November 2009 or such later date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall terminate and neither of the parties thereto will have any claim against the other for costs, damages or otherwise (save in respect of any breach of their respective undertakings to procure fulfilment of the conditions).

Completion of the Subscription

Completion of the Subscription will take place on the Business Day immediately after the date upon which the last of the above conditions have been satisfied provided that the date of completion of the Subscription shall not be later than the date falling 14 days after the date of the Subscription Agreement or such later date as may be agreed by the Vendor and the Company in writing. If the Subscription is not completed within 14 days from the date of the Subscription Agreement, it will constitute a connected transaction under the Listing Rules and is subject to compliance with the requirements under Chapter 14A of the Listing Rules, including the issue of a separate announcement and approval of the independent Shareholders.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

General mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the general mandate granted by the Shareholders in the annual general meeting of the Company held on 26 November 2008, pursuant to which a maximum of 19,578,413 Shares can be issued and allotted. As no Share has been issued under the aforementioned general mandate, the issue of the Subscription Shares is not subject to any approval by the Shareholders.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and completion of the Subscription, on the assumption that (a) the maximum number of 19,578,000 Placing Shares will be sold by the Vendor under the Placing; (b) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (c) the Placees do not and will not hold any Shares other than the Placing Shares.

	As at the date of this announcement		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and completion of the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Vendor and parties acting in concert with it (<i>Note 1</i>)	55,355,406	56.55	35,777,406	36.55	55,355,406	47.12
Mr. Ho Hau Chong, Norman (<i>Note 2</i>)	78,000	0.08	78,000	0.08	78,000	0.07
Public Shareholders						
Placees	—	—	19,578,000	20.00	19,578,000	16.67
Other public Shareholders	42,458,663	43.37	42,458,663	43.37	42,458,663	36.14
Total	<u>97,892,069</u>	<u>100.00</u>	<u>97,892,069</u>	<u>100.00</u>	<u>117,470,069</u>	<u>100.00</u>

Notes:

1. The Vendor is beneficially wholly-owned by Mr. Lo.
2. Mr. Ho Hau Chong, Norman is an executive Director.

REASON FOR THE PLACING AND THE SUBSCRIPTION

The Group is principally engaged in the provision of network solutions, project services and property investment.

The Directors consider that the Placing and the Subscription represents an opportunity to raise capital for the Group while broadening the shareholder base of the Company as well as strengthening the capital base and financial position of the Group.

Based on the maximum number of 19,578,000 Subscription Shares to be subscribed by the Vendor under the Subscription, the maximum gross proceeds of the Subscription will be approximately HK\$58.7 million and the maximum net proceeds of the Subscription will be approximately HK\$57.9 million after the deduction of the relevant expenses. The net proceeds are intended to be used for general working capital purposes of the Group.

In view of the reasons above, the Directors are of the view that the terms of the Placing and the Subscription are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

TAKEOVERS CODE IMPLICATIONS

Assuming the maximum number of 19,578,000 Placing Shares are placed, the aggregate percentage shareholding of the Vendor and parties acting in concert with it will be: (i) reduced from approximately 56.55% to approximately 36.55% (a decrease of approximately 20%) as a result of the Placing; and (ii) increased from approximately 36.55% to approximately 47.12% (an increase of approximately 10.57%) as a result of the Subscription. Accordingly, the Vendor would be required to make a general offer under Rule 26 of the Takeovers Code unless a waiver from the Securities and Futures Commission of Hong Kong is granted. Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with him has continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. Given the Vendor has continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing, a waiver under Rule 26 of the Takeovers Code is not required.

DEFINITIONS

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

“acting in concert”	has the meaning defined in the Takeovers Code
“associates”	has the meaning defined in the Listing Rules
“Business Day”	any day (excluding a Saturday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks generally are open for business in Hong Kong
“Company”	New World Mobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange

“Director(s)”	director(s) of the Company
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any of his delegate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Last Trading Day”	2 November 2009, being the last trading day for the Shares before the date of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lo”	Mr. Lo Lin Shing, Simon, the chairman of the Company and an executive Director, and the sole ultimate beneficial owner of the Vendor as at the date of this announcement
“Placee(s)”	the institutional, professional and/or individual investor(s) to be procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	offer by way of a private placing of the Placing Shares, on best efforts basis, by or on behalf of the Placing Agent to the Placees to purchase the Placing Shares pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Taifook Securities Company Limited, a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading), and type 4 (advising on securities) regulated activities
“Placing Agreement”	placing agreement dated 2 November 2009 between the Vendor and the Placing Agent in respect of the Placing
“Placing Price”	placing price of HK\$3.00 per Placing Share
“Placing Shares”	a maximum of 19,578,000 Placing Shares currently beneficially owned by the Vendor to be sold by it under the Placing
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of the Subscription Shares by the Vendor pursuant to the terms and conditions of the Subscription Agreement

“Subscription Agreement”	subscription agreement dated 2 November 2009 between the Company and the Vendor in respect of the Subscription
“Subscription Price”	subscription price of HK\$3.00 per Subscription Share
“Subscription Shares”	a maximum of 19,578,000 new Shares to be subscribed by the Vendor pursuant to the Subscription Agreement, the actual number of which shall be the same as the number of Placing Shares finally sold by the Vendor under the Placing
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Moral Glory International Limited, a company incorporated in the British Virgin Islands and beneficially wholly-owned by Mr. Lo

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

Hong Kong, 2 November 2009

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