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新世界移動控股有限公司
New World Mobile Holdings Limited

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

(1) DESPATCH OF THE CIRCULAR; AND (2) EXPECTED TIMETABLE

Despatch of the Circular

The Circular will be despatched by the Company to the Shareholders on 15 December 2006.

Expected timetable

The expected timetable in respect of the EGM, the Disposal Completion and the Special Dividend is set out in this announcement and the Circular.

Closure of register of members of the Company

In order to qualify for the Special Dividend, the names of the Qualifying Shareholders must appear on the register of members of the Company at the close of business on the Record Date, i.e. 3 January 2007. The register of members of the Company will be closed from Friday, 29 December 2006 to Wednesday, 3 January 2007 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the Special Dividend, all relevant Share certificates (together with the accompanying documents of transfer, if required) must be lodged with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 28 December 2006.

Unaudited pro forma financial information on the Remaining Group

The unaudited pro forma financial information on the Remaining Group is set out in this announcement and the Circular.

INTRODUCTION

Reference is made to (i) the joint announcement dated 22 November 2006 issued by Moral Glory International Limited and New World Mobile Holdings Limited (the "Company"); and (ii) the circular dated 15 December 2006 to be issued by the Company to the Shareholders (the "Circular"). Terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

DESPATCH OF THE CIRCULAR

The Circular containing, among other things, (i) further details of the S&P Agreement (including the Special Deals) and the Special Dividend; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the S&P Agreement (including the Special Deals) and the Special Dividend; (iii) a letter of advice from CIMB-GK to the Independent Board Committee and the Independent Shareholders in relation to the terms of the S&P Agreement (including the Special Deals) and the Special Dividend; (iv) the accountants' report on the Group; (v) the financial information on the CSL NWM Group for the year ended 30 June 2006; (vi) the financial information on the NWPCS Group for the nine months ended 31 March 2006; (vii) the unaudited pro forma financial information on the Remaining Group; (viii) the expected timetable in respect of the EGM, the Disposal Completion and the Special Dividend; and (ix) a notice of the EGM, will be despatched to the Shareholders on 15 December 2006.

EXPECTED TIMETABLE

The following timetable is subject to changes, depending on, among other things, the date on which the Disposal Completion is to take place:

Last day of dealings in the Shares on a cum-dividend basis in relation to the Special Dividend	Friday, 22 December 2006
Commencement of dealings in the Shares on an ex-dividend basis in relation to the Special Dividend	Wednesday, 27 December 2006
Latest time for lodging transfer of the Shares for entitlements to the Special Dividend	4:00 p.m. on Thursday, 28 December 2006
Register of members of the Company closes to determine entitlements to the Special Dividend	Friday, 29 December 2006 to Wednesday, 3 January 2007 (both dates inclusive)
Latest time for lodging forms of proxy for the EGM	10:00 a.m. on Monday, 1 January 2007
Record Date	Wednesday, 3 January 2007
EGM	10:00 a.m. on Wednesday, 3 January 2007
Disposal Completion Date	Thursday, 4 January 2007
Publication of announcement in relation to, among other things, the Disposal Completion and the final amount of the Special Dividend	Friday, 5 January 2007
Cheques in respect of the Special Dividend are expected to be posted to the Qualifying Shareholders on or before	Thursday, 11 January 2007

Notes:

1. It should be noted that the Shares will be dealt with on ex-dividend basis in relation to the Special Dividend from Wednesday, 27 December 2006 and that dealings in the Shares on ex-dividend basis in relation to the Special Dividend may take place whilst the conditions precedent to the S&P Agreement remain unfulfilled. **Shareholders or any other persons dealing in the Shares before the day on which all conditions precedent to the S&P Agreement are fulfilled will accordingly bear the risk that the S&P Agreement (and hence the Special Dividend) may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares during the abovementioned period who are in doubt of their position are advised to consult their professional advisers.**
2. All time refers to Hong Kong time. Dates and times specified above are indicative only and are subject to change in accordance with the agreement between the Company and NWD. The Company will notify the Shareholders of any changes to the expected timetable above as and when appropriate.
3. **No assurance is given by the Board that the Disposal Completion will take place on or before Thursday, 4 January 2007 or at all. Shareholders will be informed of any changes to the expected timetable by press announcement(s).**

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

In order to qualify for the Special Dividend, the names of the Qualifying Shareholders must appear on the register of members of the Company at the close of business on the Record Date, i.e. 3 January 2007. The register of members of the Company will be closed from Friday, 29 December 2006 to Wednesday, 3 January 2007 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the Special Dividend, all relevant Share certificates (together with the accompanying documents of transfer, if required) must be lodged with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 28 December 2006.

The cheques in respect of the Special Dividend will be despatched by Abacus Share Registrars Limited to the addresses of the Qualifying Shareholders (including the Overseas Shareholders) by ordinary mail at their own risk on or before Thursday, 11 January 2007. **Shareholders are reminded to update their particulars with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong during normal office hours from 9:00 a.m. to 4:00 p.m. from Monday to Friday as soon as practicable, but in any event no later than 4:00 p.m. on Wednesday, 3 January 2007.**

The Qualifying Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) as at the Record Date. **For the Qualifying Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must lodge the relevant transfer documents with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable, but in any event no later than 4:00 p.m. on Thursday, 28 December 2006.**

UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE REMAINING GROUP

Set out below is the unaudited pro forma financial information on the Remaining Group as set out in Appendix V to the Circular.

1. UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET OF THE REMAINING GROUP AS AT 30 JUNE 2006

The following is a pro forma consolidated balance sheet of the Remaining Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Disposal as if it had taken place on 30 June 2006. This pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial results of the Remaining Group had the Disposal been completed as at 30 June 2006 or at any future dates.

	Audited consolidated balances of the Group HK\$'000 Note 1	Pro forma adjustments			Unaudited pro forma consolidated balances of the Remaining Group HK\$'000
		HK\$'000 Note 2	HK\$'000 Note 3	HK\$'000 Note 4	
ASSETS					
Non-current assets					
Property, plant and equipment	6,183				6,183
Investments in associated companies	2,142,737	(2,142,737)			–
Intangible assets	–				–
	<u>2,148,920</u>				<u>6,183</u>
Current assets					
Trade receivables	4,266				4,266
Prepayments, deposits and other receivables	1,368				1,368
Amount due from an associated company	113,328				113,328
Amount due from a related company	813				813
Cash and bank balances	27,691	83,644			111,335
	<u>147,466</u>				<u>231,110</u>
Total assets	<u><u>2,296,386</u></u>				<u><u>237,293</u></u>
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	16,154				16,154
Other reserves	(82,905)	(53,185)	(59,510)		(195,600)
(Accumulated losses)/retained profits	(30,538)	365,554	59,510	(114,403)	280,123
	<u>(97,289)</u>				<u>100,677</u>

LIABILITIES

Non-current liabilities

Loans from a fellow subsidiary	278,024	(278,024)	–
Promissory note issued to a fellow subsidiary	886,749	(886,749)	–
Convertible bond	28,261	(28,261)	–
Subscription note	1,178,008	(1,178,008)	–
	<u>2,371,042</u>		<u>–</u>

Current liabilities

Trade payables	809		809
Accrued charges, other payables, deposits received and deferred income	15,779		15,779
Amounts due to fellow subsidiaries	420	(420)	–
Amount due to an associated company	5,625		5,625
Dividend payable			114,403
	<u>22,633</u>		<u>136,616</u>

Total liabilities	<u>2,393,675</u>		<u>136,616</u>
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Total equity and liabilities	<u>2,296,386</u>		<u>237,293</u>
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Net current assets	<u>124,833</u>		<u>94,494</u>
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Total assets less current liabilities	<u>2,273,753</u>		<u>100,677</u>
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Notes:

- The amounts have been extracted without adjustment from the accountants' report on the Group as set out in Appendix I to the Circular.
- The adjustments have been made to record (a) a gain of approximately HK\$13,291,000 in the consolidated income statement and a decrease of approximately HK\$53,185,000 in convertible bond reserve in other reserves on extinguishment of the Subscription Note and the Convertible Bond before their respective original maturity dates in accordance with Hong Kong Accounting Standard 32 Financial Instruments – Disclosure and Presentation, (b) a gain on the Disposal of approximately HK\$352,263,000, and (c) net cash inflows of approximately HK\$83,644,000 being the sales proceeds from the Disposal of HK\$2,500,000,000 from NWD after set-off of the aggregate amount of approximately HK\$2,411,356,000 owing by NWM to PPG under the Subscription Note, NWCBN under the Convertible Bond and amounts due to fellow subsidiaries and NWF under the promissory note issued to a fellow subsidiary, loans from a fellow subsidiary and amounts due to fellow subsidiaries, and payment of professional fee incurred for the Disposal.

The financial impact of the extinguishment of the Subscription Note and the Convertible Bond before their respective original maturity dates is arrived based on an assumption that at the date of the extinguishment, the Company could have issued non-convertible debt with similar term bearing a coupon interest rate of 5.21% per annum and 5.20% per annum for the Subscription Note and the Convertible Bond respectively.

- The adjustments have been made to transfer the remaining balance in convertible bond reserve in other reserves to accumulated losses due to the extinguishment of the Subscription Note and the Convertible Bond.
- The adjustment represents declaration of the Special Dividend to be financed by the Cash Consideration. Based on 95,336,069 Shares in issue as at 30 June 2006 and the Special dividend of HK\$1.20 per Share, the total amount of the Special Dividend will be approximately HK\$114.4 million.
- Save for the Disposal, no adjustment has been made to reflect any other results of transactions of the Group entered into subsequent to 30 June 2006.

2. UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE REMAINING GROUP FOR THE YEAR ENDED 30 JUNE 2006

The following is an illustrative and pro forma consolidated income statement of the Remaining Group which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Disposal as if it had taken place on 1 July 2005. This pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial results of the Remaining Group had the Disposal been completed as at 1 July 2005 or at any future dates.

	Audited consolidated amounts of the Group <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments <i>HK\$'000</i> <i>Note 2</i> <i>Note 3</i>		Unaudited pro forma consolidated amounts of the Remaining Group <i>HK\$'000</i>
Continuing operations:				
Turnover	16,515			16,515
Cost of sales	(4,842)			(4,842)
Gross profit	11,673			11,673
Other income	823			823
Other net losses	(65,436)			(65,436)
Selling expenses	(9,775)			(9,775)
Administrative expenses	(35,797)			(35,797)
Operating loss	(98,512)			(98,512)
Finance costs	(62,786)	60,526		(2,260)
Share of results of associated companies	27,731	(27,731)		–
Gain on disposal of associated companies	–		379,994	379,994
(Loss)/profit before taxation	(133,567)			279,222
Taxation	–			–
Loss from continuing operations	(133,567)			279,222
Discontinued operations:				
Profit from discontinued operations	1,045,209	(1,045,209)		–
Profit attributable to shareholders	911,642			279,222

Notes:

- The amounts have been extracted without adjustment from the accountants' report on the Group as set out in Appendix I to the Circular.
- The adjustments have been made to (a) the reverse interest expenses of approximately HK\$62,786,000 for the year ended 30 June 2006 on the Subscription Note, the Convertible Bond, the promissory note issued to a fellow subsidiary and loans from a fellow subsidiary which would have been avoided assuming they have been redeemed or fully repaid on 1 July 2005; (b) recognise a net loss of approximately HK\$2,260,000 on extinguishment of the Subscription Note and Convertible Bond before their respective original maturity dates in accordance with Hong Kong Accounting Standard 32 Financial Instruments – Disclosure and Presentation; and (c) the reverse share of results of the CSL NWM Group, the associated companies, for the three months ended 30 June 2006 and profit from discontinued operations as it is assumed the Disposal had taken place on 1 July 2005.

The financial impact of the extinguishment of the Subscription Note and the Convertible Bond before their respective original maturity dates is arrived based on an assumption that at the date of the extinguishment, the Company could have issued non-convertible debt with similar term bearing a coupon interest rate of 4.00% per annum and 4.02% per annum for the Subscription Note and the Convertible Bond respectively.

- The adjustment represents the gain on the Disposal as if the Disposal Completion had taken place on 1 July 2005.
- Save for the Disposal, no adjustment has been made to reflect any other results of transactions of the Group entered into subsequent to 30 June 2006.

3. UNAUDITED PRO FORMA CONSOLIDATED CASH FLOW STATEMENT OF THE REMAINING GROUP FOR THE YEAR ENDED 30 JUNE 2006

The following is an illustrative and pro forma consolidated cash flow statement of the Remaining Group which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Disposal as if it had taken place on 1 July 2005. This pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial results of the Remaining Group had the Disposal been completed as at 1 July 2005 or at any future dates.

	Audited consolidated amounts of the Group		Pro forma adjustments		Unaudited pro forma consolidated amounts of the Remaining Group	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 2	Note 3	Note 4	Note 5	
Operating activities						
Cash used in continuing operations	(26,304)					(26,304)
Interest paid	(16,108)		6,668			(9,440)
Dividend paid	–				(114,403)	(114,403)
Net cash used in continuing operations	(42,412)					(150,147)
Net cash generated from discontinued operations	131,421	(131,421)				–

	Audited consolidated amounts of the Group	<i>HK\$'000</i>	<i>HK\$'000</i>	Pro forma adjustments		<i>HK\$'000</i>	Unaudited pro forma consolidated amounts of the Remaining Group
	<i>HK\$'000</i>			<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from/(used in) operating activities	89,009						(150,147)
Investing activities							
Purchase of property, plant and equipment	(86)						(86)
Acquisition of subsidiaries	9,896						9,896
Disposal of subsidiaries	384						384
Acquisition of associated companies	(276,384)						(276,384)
Disposal of associated companies	–			2,495,000			2,495,000
Dividend received from an associated company	7,523						7,523
Interest received	823						823
Net cash (used in)/generated from continuing operations	(257,844)						2,237,156
Net cash used in discontinued operations	(96,302)	96,302					–
Net cash (used in)/generated from investing activities	(354,146)						2,237,156
Financing activities							
Increase in loans from a fellow subsidiary	278,024						278,024
Repayment of loans from fellow subsidiary, promissory note issued to a fellow subsidiary, subscription note and convertible bond				(2,393,059)			(2,393,059)
Net cash used in repayment of bank loan and amount due to the ultimate holding company of discontinued operations	(102,500)	102,500					–
Net cash generated from/(used in) financing activities	175,524						(2,115,035)
Net decrease in cash and cash equivalents	(89,613)						(28,026)
Cash and cash equivalents at the beginning of the year	116,534						116,534
Cash and cash equivalents at the end of the year	26,921						88,508

Notes:

1. The amounts have been extracted without adjustment from the accountants' report on the Group as set out in Appendix I to the Circular.
2. The adjustments have been made to reverse cash flows of the NWPCS Group for the nine months from 1 July 2005 to 31 March 2006 (date of actual disposal of the NWPCS Group) as if the disposal of the NWPCS Group had taken place on 1 July 2005.
3. The adjustment has been made to reverse interest paid for interest expenses during the year ended 30 June 2006 as if the repayment of the relevant loans, the promissory note and the Convertible Bond had been made on 1 July 2005.
4. The adjustments have been made to record cash inflow generated from the Consideration of HK\$2,500,000,000 from NWD after payment of professional fee for the Disposal, and cash outflow for the repayment of all amounts owing to PPG under the Subscription Note, NWCBN under the Convertible Bond and New World Finance under the promissory note and loans from a fellow subsidiary by way of set-off against the Consideration from NWD.
5. The adjustment represents payment of the Special Dividend to be financed by the Cash Consideration. Based on 95,336,069 Shares in issue as at 30 June 2006 and the Special dividend of HK\$1.20 per Share, the total amount of the Special Dividend will be approximately HK\$114.4 million.
6. Save for the Disposal, no adjustment has been made to reflect any other results of transactions of the Group entered into subsequent to 30 June 2006.

By Order of the Board of
New World Mobile Holdings Limited
Dr. Wai Fung Man, Norman
Executive Director and Chief Executive Officer

Hong Kong, 14 December 2006

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Board comprises (i) executive directors: Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, JP, Dr. Wai Fung Man, Norman, Mr. To Hin Tsun, Gerald and Mr. Chow Yu Chun, Alexander; (ii) non-executive directors: Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman; and (iii) independent non-executive directors: Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, JP and Mr. Tsui Hing Chuen, William, JP.

Please also refer to the published version of this announcement in The Standard.