

New World Mobile Holdings Limited
Annual Results Announcement 2004/2005

- Subscriber base grew 8% to 1,350,000
- Turnover increased HK\$10 million to HK\$1,709 million
- Sales of handsets and accessories showed a robust growth of 50% to HK\$386 million
- Business expansion to China market

(HONG KONG, 5 October 2005) New World Mobile Holdings Limited (the “Company”, Hong Kong stock code: 0862) today announces the annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 June 2005.

For the year ended 30 June 2005, the Group recorded a turnover of HK\$1,709 million, representing 0.6% increase from approximately HK\$1,699 million for the corresponding period last year. The turnover of the Group was mainly contributed by mobile communications services revenue and sales of handsets and accessories. Due to aggressive price promotions offered by the mobile service operators and severe competition on tariff, revenue from mobile communications services for the current period declined 8.6% to HK\$1,318 million.

Dr. Norman Wai, Executive Director and Chief Executive Officer of New World Mobile Holdings Limited, says, “During the year, the emergence of 3G services in the local mobile market posed a great challenge to the Group as well as other market players. Despite the adverse situation, the Group managed to achieve steady income owing to the consistent growth in roaming revenue, mobile data services and handset sales.”

During the year, the Group succeeded in exploring new market segments and extending its market reach by leveraging the great potential of the mobile prepaid market. The Group introduced various theme-based prepaid SIM cards to different market segments, including *U-Save Mobile Stored-value card* for Filipinos and Indonesians, *Star Mobile*, *marie Fantasy* and *HEA Mobile* for young mobile users.

At the same time when various cost control measures have been exercised, the Group is keen to explore new revenue streams and business opportunities. Expanding business to overseas mobile market has become an integral part of the Group’s long-term business strategy. In August, the Group in conjunction with Linktone, a leading provider of interactive entertainment products and services to consumers in China, introduce “移動追

星” – the mainland version of the Group’s renowned mobile entertainment service “Star Mobile” to China, allowing mainland mobile users to get close to Hong Kong pop stars. On the other hand, the Company has entered into a conditional Sales and Purchase Agreement with New World CyberBase Limited (NWC) to purchase the entire issued share capital of its subsidiary, New World CyberBase Solutions (NWCBVI) Limited, in order to enable the Group to participate in the mobile Internet service market in Mainland China.

Dr. Norman Wai says, “The Group is cautiously optimistic about the long-term growth of our business while preparing for the challenges of advanced mobile services. We believe our strong commitment to service excellence will gain continuous support from mobile users who pursue superb quality and innovative mobile communications.”

Financial Review

For the year ended 30 June 2005, the Group’s consolidated turnover slightly increased by HK\$10 million to approximately HK\$1,709 million (2003/04: HK\$1,699 million). The turnover of the Group was mainly contributed by mobile communications services revenue and sales of handsets and accessories.

Mobile communications services revenue for the year amounted to approximately HK\$1,318 million (2003/04: HK\$1,442 million), representing a 8.6% decrease. The decline was mainly attributable to aggressive price promotions offered by the mobile service operators and severe competition on tariff. As a result, the post-paid average revenue per user (“ARPU”) dropped from HK\$180 in last year to HK\$170 in current year. However, the Group continued to excel in customer servicing and providing mobile users with pioneering data services to maintain its competitiveness during the year. The Group was successful in maintaining the churn rate at 3.6% (2003/04: 3.3%).

Revenue from sales of mobile handsets and accessories for the year was approximately HK\$386 million, representing 50% surge as compared with HK\$257 million for last year. This was achieved by offering various “free handset” promotional offers and a wide range of handset models with advance features to our customers during the year.

The cost of goods sold and services provided was approximately HK\$866 million, representing an increase of HK\$93 million as compared with last year (2003/04: HK\$773 million). The increase was a direct result of the corresponding increase in handset sales.

The gross profit margin of the Group was 49% for current year (2003/04: 54%). The decrease was mainly due to relatively low gross profit margin of mobile handsets and accessories sales and the decline of ARPU.

The Group continues to enhance operating efficiency, resulting in a lower operating expense, excluding depreciation and amortization charge (“OPEX”). The OPEX were reduced by 5.6% to HK\$441 million. (2003/04: HK\$467 million).

The Group’s earning before interest, tax, depreciation and amortization (“EBITDA”) for the current year dropped to HK\$403 million. (2003/04: HK\$459 million).

Finance costs for the current year increased to HK\$30 million. (2003/04: HK\$7 million). The increase was mainly due to the interest payments by the Group for a loan from a fellow subsidiary, the Convertible Bond and the Subscription Note arose as a result of the Acquisition. Increase in HIBOR was also a substantial factor for the increase in finance costs.

As a result of the combined effects of the above, the Group’s profit attributable to shareholders dropped to HK\$93 million (2003/04: HK\$164 million).

Capital expenditure of the Group amounted to HK\$141 million for the year (2003/04: HK\$154 million). Capital expenditure was mainly for the ongoing enhancements in the service quality, coverage of the mobile network, and purchase of hardware and software for multimedia services provisioning.

Business Review

As of 30 June 2005, the subscriber base of the Group increased to 1,350,000, representing a growth of 8% as compared to last year. The substantial growth has utilized the leftover network capacity and made up for the loss of subscribers due to the termination of the Mobile Virtual Network Operator (MVNO) contract in early October 2004.

The Group succeeded in exploring new market segments and extending its market reach by using the unique customer segmentation strategy. During the year, the Group leveraged the great potential of the mobile prepaid market by launching various theme-based prepaid SIM cards to different market segments, including *U-Save Mobile Stored-value card* for Filipinos

and Indonesians. The Group has extended its reach to mobile youth by enriching the content of its well-received *Star Mobile* and launching the first-ever Disney Character mobile prepaid SIM card *marie Fantasy* in partnership with the Walt Disney Internet Group (Disney) in August 2004. In July 2005, NWM has introduced another exciting multimedia service *HEA Mobile* that features the popular comic character “Fu Wing” of the “Gi Si Goo Bi Family” to attract young mobile users.

On the other hand, the Group has put continued effort in launching various mobile data services with a view to boosting data revenue. As mobile technology evolves, the Group has successfully introduced many other fascinating mobile communications services in Hong Kong, including the first-ever Push-to-Talk over Cellular (PoC) service ‘*Press ’n Talk*’ via its GPRS/EDGE network. In January 2005, the Group joined hands with several renowned partners to launch “Video-on-the-move”, allowing users to be the first to enjoy the most up-to-date MV of various pop singers of Emperor Entertainment Group on their mobile phones. The service also enables users to obtain the latest local, international, entertainment, financial, weather and traffic news provided by i-CABLE Communications Limited, and to enjoy fun and interesting cartoon content brought to them by jidousports. The Group continues to enrich its service content by introducing many other exciting features, such as “China Info”, “Miss Korean’s Diary”, “Shanghai Dialect” and “Chinese Astrology”.

Brand Success

Throughout the past few years, the Group has put continued effort in reinforcing its brand positioning. In September 2004, the Group has launched an extensive brand campaign to reinforce the message that “New World Mobility is ‘The One for You’, and provides superior mobile services tailored to the needs of individual customer groups”. At the Second Hong Kong Merchants of Integrity Award 2004–2005 organized by China’s best-selling newspaper -- ‘Guangzhou Daily’, the Company won the “*Hong Kong Merchant of Integrity*” award with the highest votes in the ‘Telecommunications and Equipments’ category.

We have also demonstrated our strong commitment in being a “good corporate citizen” by actively participating in various community activities. In early 2005, the Group received the “Caring Company Logo 2004/05” from The Hong Kong Council of Social Service.

What’s more, we have received numerous awards for “The One For You” brand campaign, including *Bronze Award in the 2004 HK4As Creative Awards – Best Single TV/Cinema*

Commercial (Telecommunications); “The Most Extraordinary Talent Award” of The 11th Annual Most Popular TV Commercial Awards from ATV for the “Connecting Tone – Desire” TVC version; the “Print Ad Award 2004” from Metro HK and the “Best TV Commercial” category in The GSM Association Awards 2005 for the “Press ’n Talk - Brotherhood” version; and last but not least, the Silver Award in the Telecommunications category of the 2005 EFFIE Award organized by the New York American Marketing Association.

In April 2005, the Group also received the “Reader’s Digest SuperBrand 2005” - Gold Award”.

Outlook

We believe that reliable and innovative data solutions and services in mobile communications services will bring immense potential to our subscribers. As part of our ongoing strategy, we will add excitement to the mobile market by introducing pioneering mobile data services that exceed market expectations as well as customer needs. The Group will continue to explore the prepaid market and expand its reach to mobile youth and other market segments that show great potentials.

Before we see the genuine and substantial market needs of 3G services, we believe that cooperation with renowned content providers to provide customers with innovative data services via our existing 2.5/2.75G network remains to be the most cost-effective way to stay competitive and is in the best interest of our customers and shareholders.

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About New World Mobile Holdings Limited

New World Mobile Holdings Limited is principally engaged in offering best-in-class mobile services including voice service and customized data services that truly meet the needs of individual customer segments via advanced mobile technology.

Operating under the brand name of New World Mobility, the Group sets very high standards through constant innovations and has made significant achievements in boosting the usage of mobile data services in Hong Kong. We have emerged to become a leading service provider through the introduction of numerous stunning mobile data services over the years. *M Kee*, the Group's well-known multi-media service platform, allows users to enjoy the pleasure of mobile multimedia services at ease.

With our strong commitment in service excellence, we constantly upgrade our network for improved quality and higher capacity. The Group has strategically deployed its EDGE network in high data traffic areas in the last quarter of 2004 and is well prepared to meet challenges of the next generation mobile communications.

Inaugurated in 1997, New World Mobility has made significant achievements in marketing its brand equity and has been widely recognized as a solid, vibrant, innovative and reliable brand.

New World Mobile Holdings Limited ("NW Mobile", Hong Kong stock code: 0862, formerly known as "Asia Logistics Technologies Limited") is a public company listed in The Stock Exchange of Hong Kong Limited. The Company's major shareholder is New World Development Company Limited (Hong Kong stock code: 0017).

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Notes to Editors

For the year ended 30 June 2005, the Company has successfully acquired the NWPCS Group, previously the wholly owned mobile business unit of NWD. Upon completion of the transaction on 6 July 2004, the Company announced the official change of its name to “New World Mobile Holdings Limited” (formerly known as “Asia Logistics Technologies Limited”) to reflect re-directions of the Group’s business focus. With effect from 18 August 2004, the stock short name of the Company has been changed to “NW Mobile”.