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FIRST MOBILE GROUP HOLDINGS LIMITED
(第一電訊集團有限公司)*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 865)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2010

The directors (the “Directors”) of First Mobile Group Holdings Limited (the “Company”) announce the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2010 (the “Period”) together with the unaudited comparative figures:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

		For the six months ended 30 June	
	<i>Notes</i>	2010	2009
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
CONTINUING OPERATION			
Revenue	3	125,554	2,302,270
Cost of sales		(120,507)	(2,214,762)
Gross profit		5,047	87,508
Other income and gains		6,079	4,529
Selling and distribution expenses		(5,708)	(20,343)
General and administrative expenses		(18,381)	(50,279)
Other operating expenses		(3,192)	(4,389)
(Loss)/profit from operations		(16,155)	17,026
Finance costs	4	(86,864)	(21,130)
Share of loss of an associate		—	(170)
Loss before tax from continuing operation		(103,019)	(4,274)
Income tax	5	—	10,000
(Loss)/profit for the period from continuing operation		(103,019)	5,726
DISCONTINUED OPERATION	6		
Loss for the period from discontinued operation		—	(4,677)
(Loss)/profit for the period	7	(103,019)	1,049

* For identification purpose only

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the six months ended 30 June 2010

	Notes	For the six months ended 30 June	
		2010	2009
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Attributable to:			
Owners of the Company		(103,019)	1,047
Non-controlling interests		—	2
		<u>(103,019)</u>	<u>1,049</u>
(Loss)/earnings per share	8		
From continuing and discontinued operations			
– Basic and diluted (HK cents per share)		<u>(5.29)</u>	<u>0.05</u>
From continuing operation			
– Basic and diluted (HK cents per share)		<u>(5.29)</u>	<u>0.29</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
(Loss)/profit for the period	(103,019)	1,049
Other comprehensive income:		
Exchange differences on translation of foreign operations	<u>4,602</u>	<u>(5,506)</u>
Total comprehensive income for the period	<u>(98,417)</u>	<u>(4,457)</u>
Attributable to:		
Owners of the Company	(98,417)	(4,456)
Non-controlling interests	—	(1)
	<u>(98,417)</u>	<u>(4,457)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	30 June 2010 HK\$'000 (unaudited)	31 December 2009 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	23,344	51,590
Investment property	10	8,933	8,539
		<u>32,277</u>	<u>60,129</u>
Current assets			
Inventories		9,019	14,258
Trade receivables	11	35,936	16,882
Prepayments, deposits and other receivables		34,791	24,138
Current tax assets		7,436	16,116
Pledged bank deposits		339	42,926
Bank and cash balances		7,647	18,414
		<u>95,168</u>	<u>132,734</u>
Current liabilities			
Trade and bills payables	12	571,381	585,768
Accruals and other payables		234,193	147,445
Current portion of long-term borrowings		66,817	67,394
Current tax liabilities		109	864
Short-term borrowings		541,030	578,909
		<u>1,413,530</u>	<u>1,380,380</u>
Net current liabilities		<u>(1,318,362)</u>	<u>(1,247,646)</u>
Total assets less current liabilities		<u>(1,286,085)</u>	<u>(1,187,517)</u>
Non-current liabilities			
Long-term borrowings		737	998
Deferred tax liabilities		5,994	5,976
		<u>6,731</u>	<u>6,974</u>
NET LIABILITIES		<u><u>(1,292,816)</u></u>	<u><u>(1,194,491)</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

As at 30 June 2010

	30 June 2010 <i>HK\$'000</i> (unaudited)	31 December 2009 <i>HK\$'000</i> (audited)
Capital and reserves		
Share capital	194,600	194,600
Reserves	(1,487,416)	(1,389,091)
Equity attributable to owners of the Company	(1,292,816)	(1,194,491)
Non-controlling interests	—	—
TOTAL EQUITY	(1,292,816)	(1,194,491)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and derivative financial instruments.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2009 .

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009 except for the adoption of a revised standard (“revised HKFRS”) stated below.

Classification of Land Leases

The adoption of amendment to HKAS 17 “Leases” has resulted in a change in accounting policy for the classification of leasehold land of the Group. Previously, leasehold land was classified as an operating lease and stated at cost less accumulated amortisation. In accordance with the amendment, leasehold land is classified as a finance lease and stated at cost less accumulated depreciation if substantially all risks and rewards of the leasehold land have been transferred to the Group. As the present value of the minimum lease payments (i.e. the transaction price) of the land held by the Group amounted to substantially all of the fair value of the land as if it was freehold, the leasehold land of the Group has been classified as a finance lease. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases.

The amendment resulted in changes in the consolidated amounts reported in the financial statements as follows:

	At 30 June 2010 HK\$’000 (unaudited)	At 31 December 2009 HK\$’000 (audited)
Increase in property, plant and equipment	10,989	21,231
Decrease in prepaid land lease payments	(10,989)	(21,231)

The Group has not applied the new and revised standards, amendments and interpretations (“new HKFRSs”) that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. SEGMENT INFORMATION

During the second half of 2009, the Group had discontinued the operation of its retail sales of mobile phone and accessories. For the six months ended 30 June 2010, the Group retains a reportable segment which is the trading and distribution of mobile phones and accessories. Other operations of the Group include the provision of repair services for mobile phones and holding of properties, none of them meet any of the quantitative thresholds for determining a reportable segment separately. The presentation of information for other operations are included in the trading and distribution of mobile phones and accessories segment.

Segment profits or losses do not include dividend income, interest income, finance costs, share of result of an associate, income tax and unallocated corporate income and expenses. Segment assets and liabilities are those operating assets and liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets consist primarily of property, plant and equipment, investment property, inventories, trade receivables, other receivables, prepayments and operating cash, and mainly exclude tax assets and other unallocated corporate assets. Segment liabilities comprise operating liabilities and exclude items such as borrowings and tax payables. Segment non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Management has determined the operating segments based on the internal reports reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The information of the Group's operating and reportable segments are analysed as follows:

(a) Information about reportable segment profit or loss and segment assets:

	Trading and distribution of mobile phones and accessories
	HK\$'000
	(unaudited)
Six months ended 30 June 2010:	
Revenue from external customers	125,554
Segment loss	16,170
Interest income	15
Interest expenses	86,864
Depreciation	1,711
Other material non-cash items:	
Reversal of impairment of trade receivables	4,491
Impairment of inventories	1,358
As at 30 June 2010:	
Segment assets	120,009

	Retail sales of mobile phones and accessories (Discontinued operation) <i>HK\$'000</i> (unaudited)	Trading and distribution of mobile phones and accessories <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Six months ended 30 June 2009:			
Revenue from external customers	94,606	2,302,270	2,396,876
Segment profit/(loss)	(5,021)	14,103	9,082
Interest income	505	2,925	3,430
Interest expenses	168	21,130	21,298
Depreciation	920	3,441	4,361
Income tax	(7)	(10,000)	(10,007)
Other material non-cash items:			
Reversal of impairment of trade receivables	115	682	797
Impairment of inventories	7	212	219
As at 31 December 2009:			
Segment assets (audited)	<u>16,896</u>	<u>159,851</u>	<u>176,747</u>

(b) Reconciliations of reportable segment profit or loss:

	For the six months ended 30 June	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Total (loss)/profit of reportable segments	(16,170)	9,082
Corporate and unallocated loss	(86,849)	(18,040)
Elimination of discontinued operation	<u>—</u>	<u>4,684</u>
Consolidated loss before tax from continuing operation	<u>(103,019)</u>	<u>(4,274)</u>

3. REVENUE

Revenue comprises the fair value of the consideration for the sale of goods and services in the ordinary course of the Group's activities, gross rental income received and receivables and repair service income for the six months ended 30 June. Revenue is shown net of value-added tax, returns, rebates and discounts allowed and after eliminating sales within the Group. An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Turnover from sales of mobile phones and accessories, net	124,270	2,395,072
Other revenue:		
Rental income	1,263	1,671
Repair service income	21	133
Total revenue	125,554	2,396,876
Representing:		
Continuing operation	125,554	2,302,270
Discontinued operation (<i>note 6</i>)	–	94,606
	125,554	2,396,876

4. FINANCE COSTS

	For the six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expenses on:		
– bank borrowings	31,940	21,185
– finance lease	70	113
– trade payables	54,854	–
	86,864	21,298
Representing:		
Continuing operation	86,864	21,130
Discontinued operation (<i>note 6</i>)	–	168
	86,864	21,298

5. INCOME TAX

	For the six months ended 30 June	
	2010 HK\$'000 (unaudited)	2009 HK\$'000 (unaudited)
Current tax:		
– Hong Kong profits tax	–	789
– Overseas	–	1,108
Over provision in prior years	–	(2,970)
Deferred tax	–	(8,934)
	<u>–</u>	<u>(10,007)</u>
Representing:		
Continuing operation	–	(10,000)
Discontinued operation (note 6)	–	(7)
	<u>–</u>	<u>(10,007)</u>

No provision for profits tax is required since the Group has no assessable profit for the Period. The amount provided for Hong Kong profits tax for the six months ended 30 June 2009 was calculated at 16.5% based on the assessable profit derived in Hong Kong for that period. Tax on overseas profits in the prior period was calculated on the estimated assessable profits for that period at the rates of tax prevailing in the countries in which the Group operated.

6. DISCONTINUED OPERATION

In the second half of 2009, the Group ceased its operation in retail sales of mobile phones and accessories because the Group plans to focus its resources on the business of trading and distribution of mobile phones and accessories.

The results of the discontinued operation included in condensed consolidated income statement for the six months ended 30 June 2009 were as follows:

	Six months ended 30 June 2009 HK\$'000 (unaudited)
Revenue	94,606
Cost of sales	<u>(82,467)</u>
Gross profit	12,139
Other income	1,088
Selling and distribution expenses	(6,521)
General and administrative expenses	(10,228)
Other operating expenses	<u>(994)</u>
Loss from operation	(4,516)
Finance costs	<u>(168)</u>
Loss before tax	(4,684)
Income tax	<u>7</u>
Loss for the period from discontinued operation	<u><u>(4,677)</u></u>

7. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is arrived at after charging/(crediting) the amounts as set out below. The disclosures presented in this note for the prior period included those amounts charged/(credited) in respect of the discontinued operation.

	For the six months ended 30 June	
	2010 HK\$'000 (unaudited)	2009 HK\$'000 (unaudited)
Cost of inventories sold	120,507	2,297,229
Depreciation	1,711	4,361
Exchange losses	2,237	705
Gains on derivative financial instruments	—	(1,233)
	<u> </u>	<u> </u>

8. (LOSS)/EARNINGS PER SHARE

(a) From continuing and discontinued operations

The calculation of basic (loss)/earnings per share attributable to owners of the Company was based on the loss for the six months ended 30 June 2010 attributable to owners of the Company of approximately HK\$103,019,000 (2009: profit of approximately HK\$1,047,000) and the weighted average number of 1,945,996,565 (2009: 1,945,696,565) ordinary shares in issue during the period.

(b) From continuing operation

The calculation of basic (loss)/earnings per share from continuing operation attributable to owners of the Company was based on the loss for the six months ended 30 June 2010 from continuing operation attributable to owners of the Company of approximately HK\$103,019,000 (2009: profit of approximately HK\$5,724,000) and the denominators for number of shares in issue were the same as that detailed above for basic (loss)/earnings per share from continuing and discontinued operations.

(c) From discontinued operation

For the six months ended 30 June 2009, basic loss per share from the discontinued operation was HK0.24 cents per share based on the loss for the six months ended 30 June 2009 from discontinued operation attributable to the owners of the Company of approximately HK\$4,677,000 and the weighted average number of 1,945,696,565 ordinary shares in issue during that period.

The Company's share options do not have any dilutive effect on the (loss)/earnings per share during the two periods ended 30 June 2010 and 2009.

9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: None).

10. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTY

	Property, plant and equipment <i>HK\$'000</i>	Investment property <i>HK\$'000</i>
Carrying amounts at 1 January 2010 (audited)	8,539	51,590
Exchange differences	488	808
Additions	—	116
Depreciation	(94)	(1,617)
Disposals	—	(27,553)
Carrying amounts at 30 June 2010 (unaudited)	8,933	23,344
Carrying amounts at 1 January 2009 (audited)	8,650	70,711
Exchange differences	(156)	(419)
Additions	—	1,823
Depreciation	(88)	(4,273)
Disposals	—	(583)
Carrying amounts at 30 June 2009 (unaudited)	8,406	67,259

11. TRADE RECEIVABLES

The normal credit period granted to the customers of the Group was up to 90 days, except for the sales made to certain creditworthy customers to which a longer credit period may be granted on a case by case basis. The aging analysis of the trade receivables at the end of the reporting period is as follows:

	30 June 2010 <i>HK\$'000</i> (unaudited)	31 December 2009 <i>HK\$'000</i> (audited)
1-30 days	23,075	12,405
31-60 days	13,098	18,492
61-90 days	1,253	34,871
91-120 days	1,266	36,594
Over 120 days	1,916,916	1,835,833
Less: Impairments	(1,919,672)	(1,921,313)
	35,936	16,882

12. TRADE AND BILLS PAYABLES

	30 June 2010 HK\$'000 (unaudited)	31 December 2009 HK\$'000 (audited)
Trade payables	455,448	442,614
Bills payables	115,933	143,154
	571,381	585,768

The ageing analysis of the trade payables at the end of the reporting period is as follows:

	30 June 2010 HK\$'000 (unaudited)	31 December 2009 HK\$'000 (audited)
1-30 days	13,852	4,534
31-60 days	1,192	3,591
61-90 days	6	33,593
91-120 days	14,575	82,886
Over 120 days	425,823	318,010
	455,448	442,614

13. EVENTS AFTER REPORTING PERIOD

As disclosed in the Company's announcement dated 30 September 2010 (the "Announcement"), the Company and the Investor entered into the Supplemental Subscription Agreement to amend certain terms of the Subscription Agreement to accommodate the amendments to the proposed Capital Reorganisation. Save for the amendments set out in the Supplemental Subscription Agreement, all other terms and conditions set out in the Subscription Agreement remain effective and unchanged. Details of the amendments are further described in the Announcement. Capitalised terms used in this note have the same meanings as in this Announcement and the Company's announcement dated 16 September 2010.

14. COMPARATIVE FIGURES

Due to the adoption of a revised HKFRS during the current period, the presentation of certain items, balances and the related explanatory notes to the condensed interim financial statements have been revised to comply with the new requirements. Accordingly, certain comparative figures have been re-presented to conform with the current period's presentation. In addition, the comparative condensed income statement has been re-presented as if the operation discontinued had been discontinued at the beginning of the comparative period (note 6).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the first half of 2010, the Group continued to focus on its core business of mobile phone trading and distribution.

The Group has been operating on a very tight working capital cycle following the withdrawal of credit facilities by the Group's banks in 2009. Accordingly, management has taken measures to reduce overheads and financial commitments to ensure that the existing operations of the Group are conducted in a cost efficient manner.

Financial Review

The Group recorded a turnover of approximately HK\$124 million for the first half of financial year 2010 ("FY2010"), representing a decrease of 95% over the corresponding period in 2009. The decrease in turnover is mainly attributed to the Group's financial situation following the significant withdrawal of trade credit facilities.

The loss attributable to owners of the Company was approximately HK\$103 million for the first half of FY2010, representing loss per share from continuing and discontinued operations of HK5.29 cents as compared to a profit of approximately HK\$1 million for the corresponding period in 2009, representing earnings per share from continuing and discontinued operations of HK0.05 cents.

Finance costs increased by approximately HK\$66 million compared to the previous corresponding period mainly due to interests and penalty charges on trade payables and bank borrowings.

Liquidity and Financial Resources

As at 30 June 2010, bank and cash balances of the Group were approximately HK\$8 million (as at 31 December 2009: HK\$61 million), of which approximately HK\$0.3 million (as at 31 December 2009: HK\$43 million) were pledged for general banking facilities.

The Group's gearing ratio (measured as total borrowings over total assets) as at 30 June 2010 was 478% (as at 31 December 2009: 336%).

As at 30 June 2010, investment property, leasehold land and buildings of the Group with carrying values of approximately HK\$28 million (as at 31 December 2009: HK\$54 million) were pledged as security for the Group's general banking facilities.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2010.

Employees

As at 30 June 2010, the Group had 209 (as at 31 December 2009: 498) employees. The total of employee remuneration, including that of the Directors, for the six months ended 30 June 2010 amounted to approximately HK\$9 million (six months ended 30 June 2009: HK\$46 million). The Group remunerates its employees based on their performance, experience and the prevailing industry practice. In addition, the Group has share option schemes for Directors and employees.

Future Plans and Prospects

The Group will remain focused on its core business of mobile phone trading and distribution, and in particular, will further develop and grow its house brand mobile phone distribution business in key emerging markets. Additionally, the Group will continue to explore viable and profitable business opportunities in the near future to enhance shareholders' value and strengthen its financial foundations.

Dealing in the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") has been suspended since 27 November 2009. The Company, together with its financial and legal advisors, is actively working on the resumption of trading of the Company's shares (the "Shares") on the Stock Exchange.

SHARE OPTION SCHEME

Pursuant to the Company's share option scheme, the following share options were outstanding during the Period:

Category of participant	At 1 January 2010	Forfeited/ lapsed during the period	At 30 June 2010	Date of grant of share options	Exercise period of share options	Exercise price of share options
Employees in aggregate:						
	92,000,000	(41,000,000)	51,000,000	11 July 2007	11 July 2007 to 10 January 2011	HK\$0.265
	76,600,000	(24,400,000)	52,200,000	11 July 2007	11 October 2007 to 10 January 2011	HK\$0.265
	12,800,000	(9,700,000)	3,100,000	11 July 2007	11 November 2007 to 10 January 2011	HK\$0.265
	<u>181,400,000</u>	<u>(75,100,000)</u>	<u>106,300,000</u>			

Notes:

- (i) The vesting period of the share options is from the date of grant until the commencement of the exercise period.

- (ii) The Group had charged share-based payments of approximately HK\$92,000 against the results for the six month ended 30 June 2010 (2009: HK\$0.6 million).
- (iii) As at 30 June 2010, a total of 102,636,657 options were exercisable.
- (iv) As at 30 June 2010, the outstanding options have a remaining contractual life of approximately 0.53 years.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2010, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO were as follows:

Shares in the Company

Name of Director	Number of Shares of HK\$0.10 each			Total	Percentage of issued share capital
	Personal interests	Family interests (note (i))	Corporate interests (note (ii))		
Mr. Ng Kok Hong	596,766,389	9,088,625	–	605,855,014	31.14%
Mr. Ng Kok Tai	–	–	596,766,389	596,766,389	30.67%
Mr. Ng Kok Yang	146,944,889	–	–	146,944,889	7.55%

Notes:

- (i) These Shares are held by Ms. Tan Sook Kiang, the spouse of Mr. Ng Kok Hong, and therefore Mr. Ng Kok Hong is deemed by virtue of the SFO to be interested in these Shares.
- (ii) These Shares are held by NKT Holdings Sdn. Bhd., a company incorporated in Malaysia, which is owned as to 50% by Mr. Ng Kok Tai and as to 50% by Ms. Siew Ai Lian, the spouse of Mr. Ng Kok Tai. Mr. Ng Kok Tai is deemed by virtue of the SFO to be interested in these Shares.

Shares in an Associated Corporation

Name of Director	Number of non-voting deferred shares of HK\$1.00 each in First Telecom International Limited		
	Personal interests	Family interests (note)	Total
Mr. Ng Kok Hong	1,239,326	18,878	1,258,204
Mr. Ng Kok Tai	1,239,326	–	1,239,326
Mr. Ng Kok Yang	305,160	–	305,160

Note: These shares are held by Ms. Tan Sook Kiang, the spouse of Mr. Ng Kok Hong, and therefore Mr. Ng Kok Hong is deemed by virtue of the SFO to be interested in these shares.

Save as disclosed above, as at 30 June 2010, none of the Directors, chief executive or their associates had any interests, short positions or rights to subscribe for any securities of the Company or any of its associated corporations as defined in the SFO.

Save as disclosed above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors (including their spouses or children under 18 years of age) or chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed in the section headed “Directors’ Interests and Short Positions in Shares” above, as at 30 June 2010, there were no other persons who had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

COMPETING INTEREST

None of the Directors or the management shareholders of the Company had an interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company’s listed shares.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “Code of Conduct”) governing securities transactions by its Directors modeled on terms no less exacting than the required standard as set out in Appendix 10 of the Listing Rules, as amended from time to time.

Having made specific enquiry, all Directors have confirmed compliance with the Code of Conduct throughout the Period. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subjected to similar compliance.

AUDIT COMMITTEE

The primary duties of the Audit Committee include the review of financial information, overseeing the financial reporting system and internal control procedures as well as maintaining a working relationship with the external auditors.

The unaudited financial results and statements of the Company for the six months ended 30 June 2010 have not been reviewed by external auditors or by the Audit Committee as there was no independent non-executive Directors (the “INEDs”) to constitute the Audit Committee.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has not complied with all the code provisions as set out in Appendix 14 of the Listing Rules – Code on Corporate Governance Practices (the “CG Code”) during the six months ended 30 June 2010 following the resignations of all three INEDs on 2 December 2009. Arrangements will be made to appoint the appropriate number of INEDs to reconstitute the Board of Directors and the Audit, Nomination and Remuneration Committees as soon as practicable to comply with the CG Code.

By order of the Board
First Mobile Group Holdings Limited
Ng Kok Hong
Executive Chairman

Hong Kong, 22 October 2010

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Mr. Ng Kok Hong, Mr. Ng Kok Tai and Mr. Ng Kok Yang.