



First Quarterly Report 2006

China.com Inc.

[Incorporated in the Cayman Islands with limited liability]

China.com Inc. (GEM Stock 8006) is a CDC Corporation company (NASDAQ:CHINA)

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This report, for which the Directors (the “Directors”) of China.com Inc. (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: – (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

I am pleased to report that the first quarter of 2006 was a successful one for China.com Inc. We achieved excellent results across our core business units – at both top and bottom lines.

Here are some financial and business highlights of the quarter:

- Revenue was HK\$130 million, up 72% year-on-year and 11% quarter-on-quarter
- Gross profit was HK\$78 million, up 89% year-on-year and 5% quarter-on-quarter
- Profit attributable to equity holders was HK\$8.5 million, an increase of 51% from HK\$5.6 million in Q1 2005
- Continued to be operating cashflow positive, balance sheet position remains strong, with over HK\$925 million in net cash and cash equivalents
- Yulgang surpassed 330,000 peak concurrent users and 22 million registered users. The online game unit contributed nearly HK\$40 million in revenues and continued to be the key growth driver

During the first quarter of 2006, our online game business was a particularly strong performer. Peak concurrent users for Yulgang reached a historical high of 330,000. Total registered users and average concurrent users per day surpassed 22 million and 182,000 respectively. Yulgang's superb performance has consistently generated robust revenues to the Group. In March 2006, we increased our shareholding in 17game to 100%, signaling our commitment to further strengthen our market position in the burgeoning online gaming market in China.

On the mobile services and applications front, we achieved our goal of transforming from a SMS focused service provider to a balanced one. During this quarter, a more balanced revenue mix was achieved. The revenue contributed by our SMS, WAP, IVR and MMS was 36%, 30%, 23% and 11% respectively of the total mobile services and applications revenues; comparing to 56%, 20%, 17% and 7% respectively in Q1 2005. Total mobile services and applications revenues were HK\$69 million during the quarter, representing 53% of the Group's total revenue during the quarter. In particular, WAP revenue grew by 36% on a quarter-on-quarter basis.

The china.com portal continues to play a strategic role in enhancing our brand value and facilitate the promotion of the Group's businesses. During the quarter, we refocused our portal strategy to enhance the promotional efforts and content offerings targeted to Chinese well-educated professionals. This valuable group of users was identified as our prominent user group as indicated in an internal survey of the Group. We are committed to extend the user base of this valuable segment and further explore any business opportunities with our partners.

In addition, we recently launched "Share China.com, Approach China Market" campaign to further bring the China.com name to the world. Italy.China.com was the first China.com country domain jointly launched by the china.com portal and ProAdvertising to create an effective channel for Italian companies to reach Chinese customers. Other associated initiatives are being developed aiming to further realize the intrinsic value of the china.com portal and translate it into constant revenue streams for the Group.

Looking forward, we will continue to explore new growth opportunities and create values for our customers through continuous innovation and expanded offerings. With the increasing consolidation of our core business units, we expect that more synergies will be achieved within the Group. We strongly believe we will be able to ride on the growth momentum and deliver promising results for the remainder of this year.

Lam Wai-Qun, Albert
Chief Executive Officer

Hong Kong, 8th May, 2006

UNAUDITED CONSOLIDATED QUARTERLY RESULTS

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results (the "Unaudited Quarterly Results") of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the three months ended 31st March, 2006 (the "Quarterly Period"), together with the comparative unaudited figures for the corresponding period in 2005.

		Three months ended 31st March,	
		2006	2005
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Revenue	2	129,867	75,295
Cost of sales		(51,401)	(33,808)
Gross profit		78,466	41,487
Other income		6,902	7,435
Selling and distribution costs		(29,668)	(12,036)
Administrative expenses		(32,818)	(26,890)
Other expenses		(8,318)	(6,058)
Interest expense on bank borrowings wholly repayable within five years		(713)	(844)
Profit before taxation		13,851	3,094
Income tax charge	3	(1,132)	(1,216)
Profit for the period		<u>12,719</u>	<u>1,878</u>
Profit (loss) attributable to:			
Equity holders of the Company		8,506	5,627
Minority interests		4,213	(3,749)
		<u>12,719</u>	<u>1,878</u>
Earnings per share	4		
Basic		<u>0.20 cent</u>	<u>0.14 cent</u>
Diluted		<u>0.20 cent</u>	<u>0.14 cent</u>

Notes:

1. Basis of preparation

The Unaudited Quarterly Results of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited.

The Unaudited Quarterly Results of the Group have not been reviewed by the Company's auditors. Adjustments may be identified during the course of interim review or annual audit to be performed by the Company's auditors.

The Unaudited Quarterly Results of the Group have been prepared under historical cost convention, except for certain financial instruments, which are measured at fair value. The principal accounting policies used in the preparation of the Unaudited Quarterly Results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31st December, 2005.

2. Revenue

Revenue represents: (1) subscription revenue from the provision of mobile services and applications including short messaging services and other related products to mobile phone users; (2) internet and media revenue from online banner advertising, sponsorships, offline advertising campaigns, direct mailings and online sales; and (3) revenue from distribution of online games, net of business tax, where applicable.

3. Income tax

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the Quarterly Period and the corresponding period in 2005.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretations and practices in respect thereof.

4. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Three months ended 31st March,	
	2006	2005
	HK\$'000	HK\$'000
Earnings		
Profit for the period attributable to equity holders of the Company	<u>8,506</u>	<u>5,627</u>
	Three months ended 31st March,	
	2006	2005
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,170,788	4,144,196
Effect of dilutive potential ordinary shares: Options	<u>862</u>	<u>9,164</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>4,171,650</u>	<u>4,153,360</u>

5. Movement of reserves

	Share premium HK\$'000	Goodwill reserve HK\$'000	Investment revaluation reserve HK\$'000	Reserve funds HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January, 2005 as reported in 2005 annual report	916,369	(31,193)	(8,502)	9,833	8,968	234	181,947	1,077,656
Shares issued	2	-	-	-	-	-	-	2
Transaction costs attributable to issue of new shares	(5)	-	-	-	-	-	-	(5)
Recognition of equity-settled share based payments	-	-	-	-	2,058	-	-	2,058
Deficit on revaluation of available-for-sale investments	-	-	(8,873)	-	-	-	-	(8,873)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(7)	-	(7)
Profit for the period	-	-	-	-	-	-	5,627	5,627
At 31st March, 2005	<u>916,366</u>	<u>(31,193)</u>	<u>(17,375)</u>	<u>9,833</u>	<u>11,026</u>	<u>227</u>	<u>187,574</u>	<u>1,076,458</u>
At 1st January, 2006 as reported in 2005 annual report	924,402	(31,193)	(17,097)	18,483	15,684	5,431	183,034	1,098,744
Shares issued	4	-	-	-	-	-	-	4
Transaction costs attributable to issue of new shares	(9)	-	-	-	-	-	-	(9)
Recognition of equity-settled share based payments	-	-	-	-	3,937	-	-	3,937
Investment revaluation reserve released on disposal of available-for-sale investments	-	-	(136)	-	-	-	-	(136)
Deficit on revaluation of available-for-sale investments	-	-	(644)	-	-	-	-	(644)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	653	-	653
Profit for the period	-	-	-	-	-	-	8,506	8,506
Acquisition of additional equity interest in subsidiaries	84,589	-	-	-	-	-	-	84,589
At 31st March, 2006	<u>1,008,986</u>	<u>(31,193)</u>	<u>(17,877)</u>	<u>18,483</u>	<u>19,621</u>	<u>6,084</u>	<u>191,540</u>	<u>1,195,644</u>

6. Dividend

The Board does not recommend the payment of a dividend for the Quarterly Period (2005: Nil).

7. Comparative figures

Certain comparative amounts have been reclassified to conform with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and gross profit

Revenue for the Quarterly Period was HK\$129,867,000 representing a HK\$54,572,000, or 72%, increase as compared with the same period in last year. The net increase was primarily attributable to (1) an increase in online game revenue of HK\$34,182,000; (2) increase in mobile services and applications revenue of HK\$11,867,000 mainly from 2.5G platforms such as WAP, IVR and MMS; and (3) an increase in advertising revenue from both portals and TTG of HK\$8,523,000.

Gross profit margin was 60% for the Quarterly Period, compared to 55% in the same period last year. The overall increase in gross profit margin of the Group was mainly due to the significant increase in the higher-profit-margin online game business (65% in the Quarterly Period).

Other income

Other income net fell by 7% to HK\$6,902,000 for the Quarterly Period, compared with HK\$7,435,000 in the corresponding period in 2005. The net decrease was primarily due to a HK\$1,258,000 decrease in interest income from available-for-sale investments as a result of decreasing balances of available-for-sale investments after payments in connection with various acquisitions and repayments of bank loans, offset by a HK\$725,000 increase in bank interest income during the Quarterly Period, as a result of additional cash generated from operations in the Quarterly Period.

Selling and distribution costs

Selling and distribution costs increased by HK\$17,632,000 to HK\$29,668,000 for the Quarterly Period, compared with HK\$12,036,000 for the same period last year. The increase was mainly attributable to the additional marketing and promotion expenses incurred for our mobile services and applications businesses and online game businesses, amounting to HK\$14,223,000 and HK\$2,882,000 respectively, during the Quarterly Period.

Administrative expenses

Administrative expenses increased by 22% to HK\$32,818,000 for the Quarterly Period versus HK\$26,890,000 for the corresponding period in last year. The net increase was primarily due to the expansion of our operation during the Quarterly Period. Administrative expenses include share option expenses in the Quarterly Period amounting to HK\$3,937,000 (2005: HK\$2,058,000) recognized in accordance with HKFRS 2.

Other expenses

Other expenses increased by about HK\$2,260,000 to HK\$8,318,000 in the Quarterly Period, compared to HK\$6,058,000 for the corresponding period last year. The increase was primarily due to the increase in amortization expense of intangible assets.

Income tax

The Group recorded a tax expense of HK\$1,132,000 in the Quarterly Period, compared to HK\$1,216,000 for the corresponding period last year. The provision of income tax was HK\$1,723,000 in the Quarterly Period which was partially offset by the deferred tax revenue of HK\$591,000.

Minority interests

Profit shared by minority interests was HK\$4,213,000 in the Quarterly Period, compared to a loss shared by minority interests of HK\$3,749,000 in the same period last year. The amount represented the share of profit in the Group's minority interest in 17game and the turnaround was mainly attributable to the significant growth in 17game's online game business. The Group had acquired the remaining 52% shareholding of 17game to make it a wholly-owned subsidiary by the end of the Quarterly Period. Starting from Q2 2006, there will be no share of profit or loss by minority interests in 17game.

Profit for the period attributable to equity holders of the Company

Profit for the period attributable to equity holders of the Company was HK\$8,506,000 in the Quarterly Period, compared to HK\$5,627,000 in the same period last year, up 51%.

BUSINESS REVIEW

Online Games

As of 17th March, 2006, the Group increased its shareholding in 17game from 48% to 100% to make it a wholly-owned subsidiary.

17game is a leading massive multiplayer online role-playing games (MMORPG) provider with a proven track record in launching and distributing successful online games for the China market. Its latest online game, Yulgang, was one of the fastest growing MMORPGs in China in 2005. Yulgang was noted by 17173.com as the second most popular MMORPGs among over 50 new online games launched in China in 2005 and also named by China e-Game association as the most innovative game in 2005.

In Q1 2006, Yulgang kept on achieving new milestones and continued the strong growth momentum. The peak concurrent players for Yulgang surpassed 330,000 in Q1 2006, representing a quarter-on-quarter increase of 27%. The number of registered users of Yulgang had exceeded 22,000,000 in Q1 2006, up 47% from 15,000,000 in Q4 2005. Server groups throughout China supporting Yulgang and the Group's other online games numbered 43, up 19% from 36 server groups in Q4 2005. The success of Yulgang drives a significant growth in our online game business. Comparing with Q4 2005, the online game revenue increased by 59% to HK\$39,875,000 in Q1 2006.

This acquisition demonstrates our commitment to the rapidly growing online gaming market in China and is just another step in our strategy to be the market leader of online and mobile games in China. The Group plans to widen our market coverage with our extensive marketing and distribution networks in China, to build a broader portfolio of games and to selectively acquire synergistic and earnings accretive gaming companies in China. The Group aims to leverage on Yulgang's growing base of 22 million registered users and its extensive national coverage and support of 43 server groups for organic growth while employing our strong cash position to make target acquisitions.

Mobile Value Added Services

In Q1 2006, our mobile services and applications business experienced improvements over that of Q4 2005. Our WAP services played the role of key growth driver in this quarter, with an impressive quarter-on-quarter growth rate of 36%. Our mobile services and applications business also recorded obvious improvement over the same period last year. Total revenue increased 21%, and the revenues from our WAP, MMS and IVR products recorded 79%, 106% and 76% jump respectively.

In this quarter, we achieved our goal of transforming our mobile services and applications business unit from a SMS focused service provider to a balanced one. We finished this quarter with a more balanced revenue mix. The revenue contributed by our SMS, WAP, MMS and IVR products was 36%, 30%, 11% and 23% respectively of the total mobile services and applications revenue during the period; comparing to 56%, 20%, 7% and 17% respectively in Q1 2005.

During the period, we refined and increased our effort on handset preload and cross-selling activities in order to enhance the subscription rate and satisfaction of the targeted customers. In addition, the Group continued to expand our reach to customers by increasing the connections with different mobile operators as well as different service platforms, including both nation-wide and provincial connections. Besides, the Group invested intensively in marketing promotions to broaden our reach to potential customers. These actions have made significant contribution to the Q1 performance and we expect these efforts will continue to make meaningful return in the coming quarter.

Portal

In Q1 2006, the china.com portal clearly listed four strategic focus areas: (1) build China.com's Chinese website as a portal for Chinese professionals; (2) build China.com's English channel as the world's gateway to China; (3) leverage the value of China.com's URL and establish services in City.China.com, Country.China.com and Brand.China.com; (4) prepare for launch of new products and services to existing enterprise clients, such as SaaS.

In achieving the first two goals, the china.com portal conducted reformat of its homepage; built up the Lifestyle channel and rebuilt the English channel in Q1 2006. Among these, the unique Luxury sub-channel had drawn over 800,000 daily PV during only over one month, owing to its elegant, healthy and fashionable theme.

In Country.China.com service, the china.com portal established formal strategic partnership with ProAdvertising, an Italian online advertisement company, on 16th March, 2006 by jointly launching Italy.China.com (<http://italy.china.com>). It provides Chinese internet users with the latest Italian content in fashion, music, tourism, football and gourmet cooking, and serves as a gateway to China for Italian and other European businesses.

To further build entertainment content suited for highly educated Chinese professionals, the china.com portal built a production team comprised of former CCTV editors, writers and producers. The newly and uniquely produced "The Real Show" will be launched in May, which will not only attract an online audience, build up China.com's brand equity, but also position itself as a major content source for the imminent mobile 3G era.

To prepare for the forth goal, the china.com portal is improving its current services to enterprises to attract and retain clients. The china.com portal conducted all-round updating and reconstruction of its email system. In search, existing system was refitted with advanced technologies from Kugoo and Google, which further attracted subscribers and increased business income.

The china.com portal was awarded "China Internet Industry Innovator Top 50", one of First Deloitte Technology Fast 50 China Program, and the title of The Most Influential Website on Award Ceremony for Best Performers in 2005.

Doctor Chen Xiaowei, General Manager of the china.com portal was awarded "Annual Female Figure for Excellent Contribution to China Economy in 2005". On the 9th annual conference of "Harvard China Review", Doctor Chen Xiaowei was also invited to extend a speech and moderated the media panel.

Media and Travel

TTG had done well during the quarter with increase in advertising revenues from its key media products and special publications compared to Q1 2005.

Other major contributor to the strong performance in Q1 2006 was from event management. TTG successfully organized and managed ASEAN Tourism Forum (ATF) on behalf of the Department of Tourism, Philippines in January this year. ATF is the largest annual travel trade event that rotates among the ASEAN countries; and the appointment of event manager is determined by the respective National Tourist Organizations of the host country.

During the quarter, TTG successfully bided to be the publisher of the official publications for the following major travel and tourism events:

- i. PATA Travel Mart 2006 in September in Hong Kong
- ii. Great Singapore Sales 2006 in May in Singapore
- iii. Taipei International Travel Fair 2006 in November in Taipei

INTERESTS AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 31st March, 2006, the interests and short positions of each of the Directors, chief executives and their associates 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 required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the required standard of dealings by the Directors as referred to in rule 5.46 of the GEM Listing Rules, were as follows:

The Company

Long positions in ordinary shares and the underlying shares of equity derivatives

Name of Directors	Number of shares	Number of underlying shares	Nature of interests/ Holding capacity	Appropriate percentage of interests (%)
Ch'ien Kuo Fung, Raymond	6,274,000	18,000,000	Personal/ beneficiary	0.56%
Chia Kok Onn	–	2,500,000	Personal/ beneficiary	0.06%
Fang Xin	–	1,000,000	Personal/ beneficiary	0.02%
Lam Wai-Qun, Albert	1,500,000	37,000,000	Personal/ beneficiary	0.89%
Wang Cheung Yue, Fred	–	6,000,000	Personal/ beneficiary	0.14%
Wong Sin Just	–	5,100,000	Personal/ beneficiary	0.12%
Yip Hak Yung, Peter	10,054,000	–	Corporate*	0.23%
Yip Hak Yung, Peter	2,400,000	17,000,000	Personal/ beneficiary	0.45%

* These shares were beneficially owned by Asia Internet Holdings Limited in which Mr. Yip Hak Yung, Peter is deemed to be entitled to exercise, or control the exercise of, one-third or more of the voting power of at general meetings and, accordingly Mr. Yip has an interest in such shares under the SFO.

Options to subscribe for ordinary shares in the Company

Name of Directors	Date of grant	Exercise	Number of
		price	share options
		HK\$	outstanding
			as at
			31st March, 2006
Ch'ien Kuo Fung, Raymond	9th March, 2000	1.880	10,000,000
	5th June, 2003	0.626	4,000,000
	10th October, 2005	0.630	4,000,000
Chia Kok Onn	15th September, 2005	0.560	2,500,000
Fang Xin	10th October, 2005	0.630	1,000,000
Lam Wai-Qun, Albert	7th September, 2004	0.510	17,000,000
	23rd November, 2005	0.570	20,000,000
Wang Cheung Yue, Fred	5th June, 2003	0.626	2,000,000
	15th September, 2005	0.560	4,000,000
Wong Sin Just	9th March, 2000	1.880	1,000,000
	10th April, 2001	0.286	600,000
	5th June, 2003	0.626	2,500,000
	15th September, 2005	0.560	1,000,000
Yip Hak Yung, Peter*	5th June, 2003	0.626	4,000,000
	10th October, 2005	0.630	4,000,000
	3rd January, 2006	0.526	9,000,000

* On 3rd January, 2006, 9 million share options were granted at an exercise price of HK\$0.526 to Mr. Yip Hak Yung, Peter and 6 million share options granted at an exercise price of HK\$1.880 to Mr. Yip were cancelled on 22nd February, 2006.

All the share options may be exercised in accordance with the terms of the relevant share option schemes at any time during the period commencing from one year after the date of grant of options to the year ending 10 years after the date of grant of options. The consideration for the grant was HK\$1.00. These share options vest over a period of four years.

Associated Corporation

Long positions in Class A common shares in CDC Corporation and the underlying shares of equity of derivatives

Name of Directors	Number of shares	Number of underlying shares	Nature of interests/ Holding capacity	Appropriate percentage of interests (%)
Ch'ien Kuo Fung, Raymond	911,773	924,167	Personal/ beneficiary	1.65%
Chia Kok Onn	–	250,000	Personal/ beneficiary	0.22%
Fang Xin	–	70,000	Personal/ beneficiary	0.06%
Lam Wai-Qun, Albert	–	450,000	Personal/ beneficiary	0.40%
Wang Cheung Yue, Fred	–	90,000	Personal/ beneficiary	0.08%
Yip Hak Yung, Peter	16,022,002	3,726,442	Interest of children or spouse*	17.69%
Yip Hak Yung, Peter	–	90,000	Personal/ beneficiary	0.08%

* 11,927,653 Class A common shares and 3,726,442 share options were held under the name of Asia Pacific Online Limited ("APOL"). APOL is owned by the spouse of Mr. Yip Hak Yung, Peter and a trust established for the benefit of Mr. Yip's spouse and his children. 4,094,349 Class A common shares are held by the spouse of Mr. Yip.

Options to subscribe for Class A common shares in CDC Corporation

Name of Directors	Date of grant	Option exercise period	Exercise price US\$	Number of share options outstanding as at 31st March, 2006
Ch'ien Kuo Fung, Raymond	22nd June, 1999	22nd June, 2000 to 21st June, 2009	3.3750	66,667
	17th October, 2000	17th January, 2001 to 16th October, 2010	6.8125	100,000
	9th January, 2001	9th January, 2001 to 8th January, 2011	4.2813	30,000
	27th April, 2001	27th July, 2001 to 26th April, 2011	2.7400	220,000
	13th July, 2001	13th October, 2001 to 12th July, 2011	2.9700	400,000
	27th April, 2005	27th July, 2005 to 26th April, 2015	2.6860	62,500
	1st January, 2006	1st July, 2006 to 31st December, 2015	3.2200	45,000 [#]
Chia Kok Onn	1st September, 2005	1st September, 2005 to 31st August, 2015	2.9760	50,000
	1st September, 2005	1st September, 2006 to 31st August, 2015	2.9760	35,000
	15th September, 2005	15th September, 2005 to 14th September, 2015	2.9940	50,000
	15th September, 2005	15th December, 2005 to 14th September, 2015	2.9940	50,000
	3rd January, 2006	3rd April, 2006 to 2nd January, 2016	3.2200	65,000
Fang Xin	16th November, 2005	16th November, 2006 to 15th November, 2015	3.3000	70,000

Name of Directors	Date of grant	Option exercise period	Exercise price US\$	Number of share options outstanding as at 31st March, 2006
Lam Wai-Qun, Albert	25th August, 2004	25th August, 2005 to 24th August, 2014	4.2100	150,000
	15th September, 2005	15th December, 2005 to 14th September, 2015	2.9940	300,000
Wang Cheung Yue, Fred	24th October, 2005	24th October, 2006 to 23rd October, 2015	3.2100	90,000
Yip Hak Yung, Peter	22nd June, 1999	22nd June, 2000 to 21st June, 2009	3.3750	60,000
	12th July, 1999	12th July, 2000 to 11th July, 2009	5.0000	1,881,442*
	9th January, 2001	9th January, 2001 to 8th January, 2011	4.2813	30,000
	6th June, 2002	6th June, 2002 to 5th June, 2012	2.8200	200,000*
	3rd June, 2003	30th June, 2003 to 2nd June, 2013	4.9500	200,000*
	16th June, 2003	16th September, 2003 to 15th June, 2013	5.1600	100,000*
	25th March, 2004	31st December, 2004 to 24th March, 2014	8.2500	600,000*
	15th September, 2005	15th September, 2005 to 14th September, 2015	2.9940	50,000*
	15th September, 2005	15th December, 2005 to 14th September, 2015	2.9940	50,000*
	24th October, 2005	24th October, 2006 to 23rd October, 2015	3.2100	45,000*
3rd January, 2006	3rd April, 2006 to 2nd January, 2016	3.2200	600,000**	

- * These share options were granted to APOL.
- # 45,000 share options were granted to Doctor Ch'ien Kuo Fung, Raymond on 1st January, 2006 at an exercise price of US\$3.220 with an exercise period from 1st July, 2006 to 31st December, 2015.
- # 600,000 share options were granted to APOL on 3rd January, 2006 at an exercise price of US\$3.220 with an exercise period from 3rd April, 2006 to 2nd January, 2016.

Except as disclosed above, as at 31st March, 2006, none of the directors, chief executive and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 31st March, 2006, the interests and short positions of the substantial shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in ordinary shares

Name	Number of shares	Nature of interests	Appropriate percentage of interests (%)
China M Interactive (BVI) Limited	3,361,828,000	Beneficial Owner	77.25%

China M Interactive (BVI) Limited is a wholly owned subsidiary of chinadotcom Mobile Interactive Corporation. chinadotcom Mobile Interactive Corporation is a wholly owned subsidiary of CDC Corporation, the ultimate holding company of the Company. Each of chinadotcom Mobile Interactive Corporation and CDC Corporation are deemed to be interested in the 3,361,828,000 shares in the Company under the SFO.

Except as disclosed above, as at 31st March, 2006, the Company had not been notified of any substantial shareholders' interests or short positions which are required to be kept under section 336 of the SFO.

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 Quarterly Period.

COMPETING INTERESTS

Currently, the Board is not aware of any Director or the management shareholder of the Company (as defined under the GEM Listing Rules) having any interests in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 25th February, 2000 with written terms of reference which are of no less exacting terms than those set out in the Code on Corporate Governance Practices of the GEM Listing Rules. The audit committee has three members comprising all the independent non-executive directors, Messrs. Wong Sin Just (Committee Chairman), Wang Cheung Yue, Fred, and Chia Kok Onn. The primary duties of the audit committee are to oversee that management: (i) has maintained the reliability and integrity of the accounting policies and financial reporting and disclosure practices of the Company; (ii) has established and maintained processes to assure that an adequate system of internal control is functioning within the Company; and (iii) has established and maintained processes to assure compliance by the Company with all applicable laws, regulations and corporate policy. The audit committee has reviewed with the management this unaudited quarterly report for the three months end 31st March, 2006 and has provided advice and comments thereon.

By Order of the Board
Lam Wai-Qun, Albert
Executive Director

Hong Kong, 8th May, 2006

As at the date of this report, the executive director of the Company is Mr. Lam Wai-Qun, Albert, the non-executive directors are Dr. Ch'ien Kuo Fung, Raymond, Mr. Yip Hak Yung, Peter, Mr. Fang Xin, the independent non-executive directors are Mr. Wong Sin Just, Mr. Wang Cheung Yue, Fred and Mr. Chia Kok Onn.