MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the six months ended 30 September 2005, the Group's turnover from continuing operation was approximately HK$10.2 million, representing an increase of 13.6% as compared to last corresponding period. The Group posted an operating loss of HK$12.8 million from continuing operation in contrast to an operating profit of HK$3.3 million in corresponding previous period.

The continuing operations are being property investments business in Hong Kong. The occupancy ratio of the Group's investment properties remains stable and the rental rates obtained from such investment properties were able to increase in tandem with the prevailing commercial property market trend in Hong Kong.

The operating results from continuing operation were impacted by the adoption of new/revised Hong Kong Financial Reporting and Accounting Standards with effective from 1 April 2005. The adoption of HKAS 39 resulting to a loss arising from changes in fair value of financial assets of HK$11.3 million while the adoption of HKFRS2 resulting to a charge for employee share option benefits of HK$1.7 million.

Having built a strong foothold in the information technology ("IT") business, the Group has decided to realise its investment in IT while continues to seek other investment opportunities. On 12 September 2005, the Company entered into a sale and purchase agreement (the "Agreement") with New World Mobile Holdings Limited ("NWM"). Pursuant to the Agreement, the Company disposed of its entire interest in New World CyberBase Solutions (BVI) Limited ("NWCBVI") ("Disposal Group") at a consideration of HK$21 million. NWCBVI represents the technology operations of the Group. Under the Agreement, 16,153,846 NWM shares were issued by NWM to the Company at an issue price of HK$1.3 per NWM share in satisfaction of the consideration payable under the Agreement. Details of the disposal transaction (the "Transaction") have been published in an announcement of the Company dated 12 September 2005. The Transaction was completed on 21 October 2005.

Loss attributable to shareholders was HK$23.1 million (2004: HK$4.1 million).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business review

During the first six months during the fiscal year, the business of the Group focused on two streams: technology related business and property related business. For IT related business, the Group continued to build its strong foundation in China and leverage on the fast and exciting development of the telecommunication and Internet market. The Group saw the continuous growth in multimedia messaging services (“MMS”), wireless application protocol (“WAP”) and Internet. NWCB continued to enrich the product portfolio leading up to the transition into the 3G market.

During the last six months, the Group established a presence in two major areas: (i) digital music related services in mobile entertainment sector and (ii) “local” city directory search services.

The Group has successfully launched over 20 nationwide mobile entertainment MMS, WAP and short messaging services (“SMS”) products. These service offerings mainly focused in digital music segment for the wireless and on-line market in the People’s Republic of China (“PRC”) including ring-tone, color ring-back tone, side tone downloads.

In addition, the Group has expanded from its nationwide mapping mobile Internet service, www.chinaquest.com to offer a comprehensive local city search information services initially covering few major provinces. The service will allow customers to search for local city information and mapping direction via the Internet and mobile phone.

The Group has established seven operating offices in PRC, they are in Beijing, Shanghai, Guangzhou, Nanjing, Xian, Chengdu, and Shenyang. There are currently 180 employees in PRC supporting this business. The operations are separated into six regional areas focusing on sales operations of the assigned territory, while product management and research and development teams are stationed in Shanghai.

The Group established a good market presence of technology business in the PRC. In September, the Group considered a sales and purchase agreement that provides NWCB an opportunity to realise its investments in the technology business. After completion, the Group will look into other investment opportunities, which may or may not include information technology related business.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Future outlook

In the future, NWCB will continue to explore into new investment opportunities in various market segments. The first new market segment will be in the aviation business segment. The Group believes that the private jet services market in the PRC presents opportunities for further growth, as it remains relatively under-penetrated as compared with the more developed markets. As such, the Directors consider that the acquisition of aircrafts would (i) enable the Group to capitalise on the growing market potentials of the private jet services to expand its scope of business to aircraft charter and management services; and (ii) broaden the revenue base of the Group as a whole. Details of the acquisition of aircrafts, proposed rights issue and proposed placing of the convertible notes have been published in an announcement of the Company dated 14 November 2005.

On 11 November 2005, Glory Key Investments Ltd., an indirect wholly-owned subsidiary of the Company entered into the G200 Aircraft Purchase Agreement for the purchase of a G200 aircraft at a consideration of US$18.5 million. On 9 November 2005, Everbest Business Limited ("Everbest Business"), a company owned equally by each of Beaubourg Holdings Inc. (an indirect wholly-owned subsidiary of the Company) and C Jet Limited, and Gulfstream Aerospace Corporation, an independent third party, entered into the G450 Aircraft Purchase Agreement for the purchase of a G450 aircraft by Everbest Business at a consideration of US$31.15 million. The aggregate consideration for the aircrafts acquisition payable by the Group which amounts to approximately US$34.08 million will be financed by the net proceeds to be derived from a proposed rights issue and a convertible notes placing. This acquisition will be the start of a new investment segment for the Group.

Financial resources

1. *Liquidity and financial resources*

   As at 30 September 2005, the Group's shareholders' fund amounted to approximately HK$244.5 million (31 March 2005: approximately HK$226.2 million) and the net asset value per share was approximately HK$0.49 (31 March 2005: approximately HK$0.52).

   The Group's funding was derived from internal resources and credit facilities from a bank and other companies. Total net borrowings of the Group (total borrowings net of bank and cash balances) as at 30 September 2005 amounted to approximately HK$145.3 million (31 March 2005: approximately HK$141.5 million). In respect of the secured bank loan of approximately HK$134.4 million as at 30 September 2005 (31 March 2005: approximately HK$134.4 million), it

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial resources *(Continued)*

1. *Liquidity and financial resources (Continued)*

is subject to annual review by the bank. As such, the secured bank loan was classified as current liabilities for financial reporting purposes. However, it does not necessarily represent that the total amount of the secured bank loan should be repaid within one year from 30 September 2005. Besides, the Group has been able to repay principal and interests on time and the carrying value of the Group's investment properties pledged to secure the bank loan amounted to HK$385.0 million as at 30 September 2005 which was well in excess of the balance of the secured loan. Therefore, the Directors consider that the Group does not face any immediate repayment pressure of a large portion of the secured bank loan.

In May 2005, the Company completed a placing of 58,000,000 shares at a placing price of HK$0.24 per share. The net proceeds from the placing were approximately HK$13 million.

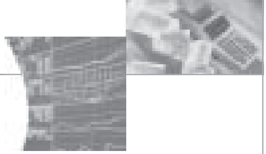
As at 30 September 2005, the cash and bank balances of the Group were approximately HK$37.9 million (31 March 2005: approximately HK$41.7 million). Liquidity ratio (excluding assets and liabilities relating to Disposal Group) was approximately 0.34 (31 March 2005: approximately 0.28).

2. *Gearing*

The gearing ratio, measured in terms of total borrowings to total tangible assets (excluding assets and liabilities relating to Disposal Group), was 0.38 as at 30 September 2005 (31 March 2005: approximately 0.38).

3. *Interests rate risks and foreign currency exposures*

Interests on bank and other loans are chargeable mainly based on certain agreed interest margins over the Hong Kong Interbank Offer Rate. The Group's operations are principally in Hong Kong and the PRC and all assets and liabilities are denominated either in Renminbi, Hong Kong dollar(s) or United State dollar(s). The Directors believe that the fluctuation in exchange rates among these currencies were minimal and accordingly no related hedging measures were adopted.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Financial resources *(Continued)*

4. *Pledge of assets*

   As at 30 September 2005, investment properties with a carrying amount of HK$385.0 million (31 March 2005: approximately HK$385.0 million) were pledged to a bank as collaterals for banking facilities granted to the Group.

5. *Contingent liabilities*

   The Group has a contingent liability in respect of claims filed by a PRC governmental institute against the Company and certain of its subsidiaries for the infringement of rights to derive benefits from using the city mapping information contents in the PRC amounting to RMB5 million. By an order issued by a PRC court, the Group was required to freeze its assets value to the extent of RMB5 million in connection with the above claims. As at 30 September 2005, the PRC court took action to freeze certain bank balances of certain subsidiaries of the Group in the amount of RMB0.8 million. While the outcomes of such contingencies cannot be determined at present, the Directors believe that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

   In addition, a subsidiary of the Company has granted a guarantee of approximately RMB0.9 million to an associated company for carrying out its litigation proceedings against its debtors by way of lien on a property of this subsidiary to the relevant PRC court. This property is situated at Beijing, the PRC with a book value of approximately HK$3.9 million as at 30 September 2005.

Employees

As at 30 September 2005, the Group employed 190 full-time employees in Hong Kong and Mainland China. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective geographical locations and businesses in which the Group operates. The remuneration policies of the Group are reviewed on periodic basis. Apart from retirement schemes, year-end bonuses and share options are awarded to the employees according to the assessment of individual performance and industry practice. Structured training programs are also offered for staff training and development.