

Notes:

- (1) The vesting period of the outstanding share options granted under the Share Option Scheme on 1 March 2005 had been changed from "1 March 2005 to 28 February 2007" to "1 March 2005 to 31 August 2005" in accordance with the provisions of the Share Option Scheme.
- (2) Mr. Wei Chi Kuan, Kenny resigned as director of the company with effect from 8 September 2006.
- (3) Following the Company's disposal of (the "Disposal") the entire issued share capital of New World CyberBase Solutions (BVI) Limited ("NWCBS") to New World Mobile Holdings Limited on 21 October 2005, NWCBS ceased to be a subsidiary of the Company. The grantees under the NWCBS Group (i.e. the participants under this category) ceased to be the eligible persons as defined in the Share Options Scheme. On 21 October 2005, the Board had approved and permitted the participants under this category to exercise their options at any time on or before 20 October 2006 pursuant to the Board's absolute discretionary powers given under the provisions of the Share Option Scheme.
- (4) The weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised during the period was HK\$0.3542.

No share options were granted during the period.

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 six months ended 30 September 2006.

CORPORATE GOVERNANCE

The Company recognizes the value and importance to achieving high standards of corporate governance to enhance corporate performance and accountability.

The Company has applied the principles and has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 September 2006 in all material aspects, except the deviations from the code provisions A.1.3, A.4.1 and E.1.2.

Code provision A.1.3

Code provision A.1.3 stipulates that notice of at least 14 days should be given of a regular board meeting and reasonable notice should be given to all other board meetings. During the period, the Directors consented to shorter notices on two of the regular Board meetings.

Code provision A.4.1

The Company has not yet adopted code provision A.4.1 which provides that non-executive directors should be appointed for a specific term, subject to re-election.

Non-executive directors (including independent non-executive directors) of the Company were not appointed for specific terms. Since the non-executive directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's Bye-laws, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

Code provision E.1.2

Although the Chairman of the Board did not attend the annual general meeting of the Company held on 7 September 2006 ("2006 AGM") because of an unexpected urgent business engagement, the Chief Executive Officer had chaired the 2006 AGM and answered questions thereat. The Chairman of the Audit and Remuneration Committees was also available to answer questions at the 2006 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct for dealings in securities of the Company by Directors. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code for the period ended 30 September 2006.