

Notes:

- (1) These 23,185,245 underlying shares represent the shares which may be issued upon the exercise of any of the conversion rights attaching to the Convertible Bond.
- (2) NWCBN is a wholly-owned subsidiary of NWTHL. Accordingly, NWTHL is deemed to be interested in the shares and underlying shares held by NWCBN.
- (3) These 1,000,000,000 underlying shares represent the shares which may be issued upon the exercise of any of the conversion rights attached to the Subscription Note.
- (4) Each of PPG and NWTHL is a wholly-owned subsidiary of NWD. Accordingly, NWD is deemed to have an interest in the shares and underlying shares held by PPG and in the shares and underlying shares deemed to be interested by NWTHL.
- (5) CTF and its subsidiaries have interests in more than one-third of the issued shares of NWD and CTF is accordingly deemed to have an interest in the shares and underlying shares.
- (6) CSL holds 100% direct interest in CTF and CSL is accordingly deemed to have an interest in the shares and underlying shares.
- (7) CYTFH holds 51% direct interest in CSL and CYTFH is accordingly deemed to have an interest in the shares and underlying shares.
- (8) Million Dollar Trading Limited is a wholly-owned subsidiary of New World CyberBase Limited. Accordingly, New World CyberBase Limited is deemed to be interested in the shares.
- (9) These shares have been conditionally acquired by Moral Glory International Limited, which is beneficially wholly-owned by Mr. Lo Lin Shing, Simon, from NWD.

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 31 December 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 31 December 2006 in all material aspects, except the deviation from the code provision A.4.1.

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 articles of association, 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.

The number of independent non-executive directors is falling below the minimum number required under the Listing Rules as at the date of this report. As disclosed in the announcement of the Company dated 1 February 2007, the Board will use its best endeavors to identify appropriate persons for appointment as the independent non-executive director, audit committee and remuneration committee members of the Company before 30 April 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by directors and employees who are likely to be in possession of unpublished price sensitive information of the Company on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules.

Having made specific enquiry by the Company, all directors have confirmed that they have complied with the required standard set out in such code of conduct for the period ended 31 December 2006.