


First Quarterly Report 2011

The background of the page is a vibrant, abstract composition of light trails and glowing elements. It features a color gradient from light green at the top to a deeper blue at the bottom. Several thin, white, glowing lines crisscross the space, some forming circular patterns. In the lower right quadrant, there is a prominent, glowing blue circular structure that resembles a stylized globe or a complex network of interconnected nodes and lines, with a bright white light source at its center. The overall effect is one of dynamic energy and technological sophistication.

China.com Inc.

(Incorporated in the Cayman Islands with limited liability)

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

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the Directors (the “Directors”) of China.com Inc. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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 no 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.

CHAIRMAN'S STATEMENT

Below are the financial and business highlights for China.com Inc. and its subsidiaries (collectively the "Group") for the three months ended 31 March 2011:

- Revenue from continuing operations was HK\$31.4 million, up 39% compared to the same period last year.
- Gross profit from continuing operations was HK\$15.2 million, up 60% compared to the same period last year.
- Profit attributable to owners of the Company amounted to HK\$1.8 million, compared to HK\$1.9 million in the same period last year. The reason for the lower profit this quarter was mainly due to our planned investment to grow the portal business operation in China.
- Earning per share (EPS) was HK cents 1.71, compared to HK cents 1.75 in the same period last year.
- Financial position remains strong, with an aggregate amount of HK\$335.1 million of bank balances and cash, held-for-trading investments and available-for-sale investments as of 31 March 2011.

During the quarter, Portal has continued its momentum in the development of two of its verticals – Automobile channel and Webgame channel. For auto channel, we have organized two major events, namely "Repair your car" and "Journey to snowy mountain" events. Both events have attracted wide attention, brought in significant revenue and traffic. We also secured cooperation with high-profile manufacturers such as Acura, Toyota, Cadillac and Mercedes Benz in these events.

The webgame channel launched the following new games during the quarter: "Wind of War", "City Battle" and "Beautiful City", which will provide new revenue starting next quarter. We will continue to negotiate with overseas and local publishers to add new titles to our game portfolio.

TTG saw a reasonably good start for its business in first quarter of 2011. While advertising and media sales revenue has had a slow start, the revenue from the management of the ASEAN Tourism Forum (ATF) 2011 event for Ministry of Tourism Cambodia, has enhanced the performance of the group. During the quarter, TTG embarked on a revamp of its existing online offerings to create new advertising opportunities, which should aid to improve the group's online revenue for the year.



The Group's investment in a China-focused private equity fund (PE Fund) has also been generating impressive returns. The fund invests in a number of leading Chinese enterprises in diverse industries, ranging from energy, media, manufacturing and consumer products. As of 31 December 2010, the latest audit report of this Beijing based PE Fund showing investment at fair value at over 4 times of our cost of approximately US\$12 million, and the Group has received approximately US\$3 million in capital distribution from this fund since 2009. This allows our shareholders to participate in the returns of the fast growing China economy, especially in the high tech and new media sectors.

Thank you for your continuing support of China.com Inc.

Dr. Ch'ien Kuo Fung,
Raymond
Chairman

Hong Kong, 9 May 2011

UNAUDITED CONSOLIDATED QUARTERLY RESULTS

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the three months ended 31 March 2011 (the "Quarterly Period"), together with the comparative unaudited figures for the corresponding period in 2010.

		(Unaudited) Three months ended 31 March	
	Notes	2011 HK\$'000	2010 HK\$'000
Continuing operations			
Revenue	2	31,444	22,655
Cost of sales		<u>(16,242)</u>	<u>(13,145)</u>
Gross profit		15,202	9,510
Other income		2,332	4,434
Selling and distribution expenses		(5,061)	(3,545)
Administrative expenses		(10,552)	(7,899)
Impairment losses reversed (recognised)		646	(433)
Other expenses		<u>(61)</u>	<u>(3)</u>
Profit before tax		2,506	2,064
Income tax expense	3	<u>(661)</u>	<u>(409)</u>
Profit for the period from continuing operations		1,845	1,655
Discontinued operation			
Profit for the period from discontinued operation	4	<u>—</u>	<u>222</u>
Profit for the period		<u><u>1,845</u></u>	<u><u>1,877</u></u>

		(Unaudited)	
		Three months ended	
		31 March	
		2011	2010
Notes		HK\$'000	HK\$'000
	Other comprehensive income (expense)		
	Exchange differences arising on translation	2,373	190
	Fair value (loss) gain on available-for-sale investments	<u>(1,875)</u>	<u>4,221</u>
	Other comprehensive income for the period	<u>498</u>	<u>4,411</u>
	Total comprehensive income for the period	<u>2,343</u>	<u>6,288</u>
	Profit attributable to:		
	Owners of the Company	1,829	1,877
	Non-controlling interests	<u>16</u>	<u>-</u>
		<u>1,845</u>	<u>1,877</u>
	Total comprehensive income attributable to:		
	Owners of the Company	2,327	6,288
	Non-controlling interests	<u>16</u>	<u>-</u>
		<u>2,343</u>	<u>6,288</u>
	Earnings per share		
	From continuing and discontinued operations		
	Basic and diluted (cents per share)	<u>1.71</u>	<u>1.75</u>
	From continuing operations		
	Basic and diluted (cents per share)	<u>1.71</u>	<u>1.54</u>

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Notes:

1. BASIS OF PREPARATION

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 consolidated results of the Group have not been reviewed by the Company's auditors. Adjustments may be identified during the course of annual audit to be performed by the Company's auditors.

The unaudited consolidated 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 consolidated financial statements are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2010.

2. REVENUE

Revenue from continuing operations represents (1) travel media; and (2) internet portal.

3. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no significant assessable profits in Hong Kong for the Quarterly Period and the corresponding period in 2010.

The estimated average annual tax rate used is 16.5% for the Quarterly Period and corresponding period in 2010.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

4. DISCONTINUED OPERATION

The Group's mobile services and applications operation has been suffering loss since the year ended 31 December 2006. The board of directors of the Company saw no reasonable instance where this operation might turn profitable in the foreseeable future. In view of this, on 4 February 2008, the board of directors passed an unanimous written consent that it was desirable and in the best interests of the Group to scale down the mobile services and applications operation. The closing down was completed in the third quarter of 2009, in which the outstanding services obligations have been completed.

The results of the discontinued operation are set out below.

	Three months ended 31 March	
	2011	2010
	HK\$'000	HK\$'000
Profit for the period from discontinued operation		
Other income	–	411
Selling and distribution expenses	–	(31)
Administrative expenses	–	(158)
	<hr/>	<hr/>
Profit for the period from discontinued operation (attributable to owners of the Company)	<u>–</u>	<u>222</u>

5. EARNINGS PER SHARE

From continuing and discontinued operations

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

	Three months ended 31 March	
	2011	2010
	HK\$'000	HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	<u>1,829</u>	<u>1,877</u>

	Three months ended 31 March	
	2011	2010
	'000	'000
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>107,174</u>	<u>107,174</u>

The calculation of diluted earnings per share does not assume the exercise of share options as the exercise prices of share options are higher than the average market price of Company's shares over the reporting period.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	Three months ended	
	2011	2010
	HK\$'000	HK\$'000
<i>Earnings</i>		
Profit for the period attributable to owners of the Company	1,829	1,877
Less: Profit from discontinued operation attributable to owners of the Company	—	222
	<u>1,829</u>	<u>1,655</u>
Earnings for the purpose of basic earnings per share from continuing operations	<u>1,829</u>	<u>1,655</u>

The denominators used are the same as those detailed above for basic earnings per share.

The calculation of diluted earnings per share does not assume the exercise of share options as the exercise prices of share options are higher than the average market price of Company's shares over the reporting period.

From discontinued operation

Basic profit per share for discontinued operation is HK cents Nil (2010: HK cents 0.21), based on the profit for the period from discontinued operation of HK\$Nil (2010: HK\$222,000) and the denominators detailed above for basic earnings per share.

The calculation of diluted earnings per share does not assume the exercise of share options as the exercise prices of share options are higher than the average market price of Company's shares over the reporting period.

6. MOVEMENT OF RESERVES

	Share premium HK\$'000 (note a)	Capital reserve HK\$'000 (note a)	Goodwill reserve HK\$'000	Investment revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Reserve funds HK\$'000 (note b)	Translation reserve HK\$'000	Share options reserve HK\$'000	Retained profits HK\$'000	Sub Total HK\$'000	Attributable to non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2010	39,337	118,963	(31,193)	6,624	11,690	24,123	40,636	60,787	192,394	463,361	-	463,361
Profit for the period	-	-	-	-	-	-	-	-	1,877	1,877	-	1,877
Other comprehensive income for the period	-	-	-	4,221	-	-	190	-	-	4,411	-	4,411
Total comprehensive income for the period	-	-	-	4,221	-	-	190	-	1,877	6,288	-	6,288
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	19	-	19	-	19
At 31 March 2010	39,337	118,963	(31,193)	10,845	11,690	24,123	40,826	60,806	194,271	469,668	-	469,668
At 1 January 2011	39,337	24,650	(31,193)	410	11,690	24,123	47,047	61,755	130,760	308,579	160	308,739
Profit for the period	-	-	-	-	-	-	-	-	1,829	1,829	16	1,845
Other comprehensive (expense) income for the period	-	-	-	(1,875)	-	-	2,373	-	-	498	-	498
Total comprehensive (expense) income for the period	-	-	-	(1,875)	-	-	2,373	-	1,829	2,327	16	2,343
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	258	-	258	-	258
At 31 March 2011	39,337	24,650	(31,193)	(1,465)	11,690	24,123	49,420	62,013	132,589	311,164	176	311,340

Note a: Under the Companies Law of the Cayman Islands (2010 Revision as amended from time to time), the share premium and capital reserve of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Note b: Pursuant to the relevant laws and regulations for foreign investment enterprises ("FIEs") established in the People's Republic of China excluding Hong Kong (the "PRC"), a certain portion of the FIE's profits is required to be transferred to reserve funds which are not distributable. Transfers to this reserve are made out of the FIE's profits after taxation calculated in accordance with accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP") and shall not be less than 10% of profit after taxation calculated in accordance with PRC GAAP. No such transfer was made during both periods as there was no such profit after tax from FIEs in both periods.

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the Quarterly Period (the corresponding period in 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and gross profit

Revenue for the Quarterly Period was HK\$31,444,000 representing a HK\$8,789,000, or 39%, increase compared to the corresponding period in 2010. The net increase was primarily attributable to (1) an increase in revenue from travel media segment of HK\$4,801,000; and (2) an increase in revenue from internet portal segment of HK\$3,988,000.

Gross profit margin maintained at a relatively stable level of 48% for the Quarterly Period, compared to 42% in the same period last year.

Other income

Other income decreased by 47% to HK\$2,332,000 for the Quarterly Period, compared to HK\$4,434,000 for the corresponding period in 2010. The decrease was primarily due to (1) a HK\$2,433,000 decrease in investment income from available-for-sale investments; and (2) a HK\$331,000 increase in interest income from cash and bank balances.

Selling and distribution expenses

Selling and distribution expenses increased by 43% to HK\$5,061,000 for the Quarterly Period, compared to HK\$3,545,000 for the corresponding period in 2010.

Administrative expenses

Administrative expenses increased by 34% to HK\$10,552,000 for the Quarterly Period, compared to HK\$7,899,000 for the corresponding period in 2010. The increase was mainly attributable to the increase in personnel expense amounting to HK\$1,936,000. Administrative expenses include share option expenses in the Quarterly Period amounting to HK\$258,000 (2010: HK\$19,000) recognised in accordance with HKFRS 2.

Impairment losses reversed (recognised)

Recovery of impairment loss of HK\$646,000 (2010: an impairment loss of HK\$433,000) has been recognised for the Quarterly Period.

Other expenses

Other expenses increased by HK\$58,000 to HK\$61,000 for the Quarterly Period. The increase was primarily due to a fair value loss on held-for-trading investment for the Quarterly Period.

Income tax

The Group recorded an income tax expense of HK\$661,000 for the Quarterly Period, compared to HK\$409,000 for the corresponding period in 2010. Income tax expense for the Quarterly Period represents a provision for income tax.

Discontinued operation

The Group discontinued its mobile services and applications operation since the third quarter of 2009. Details of the discontinued operation are set out in note 4.

Non-controlling interests

Profit shared by non-controlling interests was HK\$16,000 for the Quarterly Period, compared to HK\$Nil for the corresponding period in 2010. Profit shared by non-controlling interests represented non-controlling interests' share of profit in a company that is partly owned by a third party. The Group's equity interest in this company is 90% as at 31 March 2011 (2010: 90%).

Profit for the period attributable to owners of the Company

Profit for the period attributable to owners of the Company was HK\$1,829,000 for the Quarterly Period, compared to a profit of HK\$1,877,000 for the corresponding period in 2010.

Business Review

Internet Portal

Portal revenue for the first quarter was HK\$9,083,000 up 78% from the corresponding period in 2010. During the quarter, Portal has continued its momentum in the development of two of its verticals – Automobile channel and Webgame channel. For auto channel, we have organized two major events, namely "Repair your car" and "Journey to snowy mountain" events. Both events have attracted wide attention, brought in significant revenue and traffic. We also secured cooperation with high-profile manufacturers such as Acura, Toyota, Cadillac and Mercedes Benz in these events.

The webgame channel launched the following new games during the quarter: "Wind of War", "City Battle" and "Beautiful City", which will provide new revenue starting next quarter. We will continue to negotiate with overseas and local publishers to add new titles to our game portfolio.

Travel Media

TTG revenue for the first quarter was HK\$22,360,000, up 27% from the corresponding period in 2010. It saw a reasonably good start for Travel Media business in first quarter in 2011. While advertising and media sales revenue has had a slow start, the revenue from the management of the ASEAN Tourism Forum (ATF) 2011 event for Ministry of Tourism Cambodia, has enhanced the performance of the group. During the quarter, TTG embarked on a revamp of its existing online offerings to create new advertising opportunities, which should aid to improve the group's online revenue for the year.

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

As at 31 March 2011, the interests 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") which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were 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 pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by the directors, 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	Approximate percentage of interests
Ch'ien Kuo Fung, Raymond	142,900	200,000	Personal/beneficiary	0.32%
Anson Wang	-	-	-	-
Cheng Loi	-	37,875	Corporate Note (3)	0.04%
Li On-kwok, Victor	-	-	-	-
Mao Hongcheng	-	-	-	-
Wang Cheung Yue, Fred	-	150,000	Personal/beneficiary	0.14%
Wong Kwong Chi	-	637,500	Personal/beneficiary	0.59%
Yip Hak Yung, Peter	85,400	-	Corporate Note (1)	0.08%
Yip Hak Yung, Peter	22,500	425,000	Personal/beneficiary	0.42%
Yip Hak Yung, Peter	539,160	6,524,072	Interest of children or spouse Note (2)	6.59%

Notes:

- (1) These shares were beneficially owned by Asia Internet Holdings Limited which is 100% owned by Mr. Yip Hak Yung, Peter.
- (2) These options were beneficially owned by Asia Pacific On-Line Limited, a company 50% owned by the spouse of Mr. Yip Hak Yung, Peter and 50% owned by a trust established for the benefit of the spouse and children of Mr. Yip.
- (3) These options were beneficially owned by SLC Management Consulting International Limited, a company 100% owned by Dr. Cheng Loi.

Options to subscribe for ordinary shares in the Company pursuant to its share option schemes

Name of Directors	Date of Grant	Exercise period	Exercise price HK\$	Number of share options outstanding as at 31 March 2011
Ch'ien Kuo Fung, Raymond	5 June 2003	5 June 2004 to 4 June 2013	25.040	100,000
	10 October 2005	10 October 2006 to 9 October 2015	25.200	100,000
Cheng Loi	26 March 2008	26 March 2009 to 25 March 2018	11.000	37,875
Wang Cheung Yue, Fred	5 June 2003	5 June 2004 to 4 June 2013	25.040	50,000
	15 September 2005	15 September 2006 to 14 September 2015	22.400	100,000
Wong Kwong Chi	3 January 2006	3 January 2007 to 2 January 2016	21.040	137,500
	11 May 2011	11 May 2011 to 10 May 2021	4.124	500,000

Name of Directors	Date of Grant	Exercise period	Exercise price HK\$	Number of share options outstanding as at 31 March 2011
Yip Hak Yung, Peter	5 June 2003	5 June 2004 to 4 June 2013	25.040	100,000
	10 October 2005	10 October 2006 to 9 October 2015	25.200	100,000
	3 January 2006	3 January 2007 to 2 January 2016	21.040	225,000
	14 August 2006	14 August 2007 to 13 August 2016	17.800	5,983,912
	19 August 2008	19 August 2009 to 18 August 2018	5.436	540,160

Associated Corporation

Long positions in Class A common shares and the underlying shares of equity of derivatives in CDC Corporation (listed on NASDAQ, Stock Code: CHINA)

Name of Directors	Number of shares	Number of underlying shares	Nature of interests/Holding capacity	Approximate percentage of interests
Ch'ien Kuo Fung, Raymond	298,863	151,401	Personal/beneficiary	1.28%
Cheng Loi	–	33,473	Corporate Note (3)	0.09%
Wang Cheung Yue, Fred	–	102,051	Personal/beneficiary	0.29%
Wong Kwong Chi	–	158,328	Personal/beneficiary	0.45%
Yip Hak Yung, Peter	5,658,750	3,133,331	Interest of children or spouse Note (2)	24.94%

Options/stock appreciation rights/restricted shares in CDC Corporation

Name of Directors	Date of Grant	Exercise period	Exercise price Note (5) US\$	Number of
				share options/stock appreciation rights/ restricted shares outstanding as at 31 March 2011 Note (5)
Ch'ien Kuo Fung, Raymond	9 November 2007	9 February 2008 to 8 November 2014	18.540	8,333 Note (1)
	18 September 2008	18 September 2008 to 17 September 2015	6.510	60,000 Note (1)
	19 March 2009	19 June 2009 to 18 March 2016	3.000	6,666
	7 June 2010	7 June 2010 to 6 June 2017	5.940	30,000
	4 August 2010	4 November 2010 to 3 August 2017	– Note (4)	36,402 Note (4)
Cheng Loi	29 October 2008	29 April 2009 to 29 October 2015	3.810	13,333 Note (1)
	29 October 2008	29 April 2009 to 29 October 2015	3.810	5,000 Note(1)
	23 April 2009	23 April 2009 to 22 April 2016	3.600	666 Note(1)
	4 May 2009	4 May 2009 to 3 May 2016	3.600	11,666 Note(1)
	4 August 2010	4 November 2010 to 3 August 2017	– Note (4)	2,808 Note (4)

Name of Directors	Date of Grant	Exercise period	Exercise price Note (5) US\$	Number of share options/stock appreciation rights/ restricted shares outstanding as at 31 March 2011 Note (5)
Wang Cheung Yue, Fred	24 October 2005	24 October 2006 to 23 October 2015	9.630	29,998
	18 December 2006	18 December 2007 to 17 December 2016	25.560	8,333 Note (1)
	18 September 2008	18 September 2008 to 17 September 2015	6.510	30,000 Note (1)
	4 August 2010	4 November 2010 to 3 August 2017	– Note (4)	18,720 Note (4)
Wong Kwong Chi	24 August 2005	24 August 2005 to 23 August 2015	9.690	36,664
	15 September 2005	15 September 2005 to 14 September 2015	8.982	33,332
	18 December 2006	18 March 2007 to 17 December 2016	25.560	8,333 Note(1)
	8 November 2007	8 February 2008 to 6 November 2014	19.080	8,333 Note(1)
	18 September 2008	18 September 2008 to 17 September 2015	6.510	30,000 Note(1)
	2 September 2009	2 December 2009 to 1 September 2016	2.490	41,666

Name of Directors	Date of Grant	Exercise period	Exercise price Note (5) US\$	Number of share options/stock appreciation rights/ restricted shares outstanding as at 31 March 2011 Note (5)
Yip Hak Yung, Peter	29 July 2008	29 April 2009 to 28 July 2015	7.980	55,000 Note (1)
	26 November 2008	26 February 2009 to 25 November 2015	2.610	1,978,332
	19 December 2008	19 March 2009 to 18 December 2015	3.870	300,000
	1 March 2010	1 June 2010 to 28 February 2017	7.470	333,333
	4 June 2010	4 June 2010 to 3 June 2017	5.940	466,666

Notes:

- (1) This represents stock appreciation rights ("SARs") to subscribe for Class A common shares in CDC Corporation granted under the 2005 Stock Incentive Plan
- (2) 3,995,751 Class A common shares and 3,133,331 stock appreciation rights/options to subscribe for Class A common shares were held under the name of Asia Pacific On-Line Limited ("APOL"). APOL, a company 50% owned by the spouse of Mr. Yip Hak Yung, Peter ("Mr. Yip") and 50% owned by a trust established for the benefit of the spouse and children of Mr. Yip. 1,662,999 Class A common shares were held by the spouse of Mr. Yip.
- (3) These options were beneficially owned by SLC Management Consulting International Limited, a company 100% owned by Dr. Cheng Loi.
- (4) This represents restricted shares ("RSAs") granted under the 2005 Stock Incentive Plan.
- (5) Exercise prices (where applicable) and balances of the number of options/SARs/RSAs were adjusted resulting from the one-for-three reverse split of the Class A common shares in CDC Corporation effective on 23 August 2010.

Long positions in common shares and the underlying shares of equity of derivatives in CDC Software International Corporation (formerly known as CDC Software International Corporation) ("CDC Software International")

Name of Directors	Number of shares	Number of Underlying shares	Nature of interests/Holding capacity	Approximate percentage of interests
Ch'ien Kuo Fung, Raymond	-	25,000	Personal/beneficiary	0.08%
Wang Cheung Yue, Fred	-	20,000	Personal/beneficiary	0.07%

Options to subscribe for common shares in CDC Software International pursuant to its share option scheme

Name of Directors	Date of Grant	Exercise period	Exercise price US\$	Number of share options outstanding as at 31 March 2011
Ch'ien Kuo Fung, Raymond	17 February 2007	Date of commencement of initial public offering to 17 February 2014	13.330	25,000
Wang Cheung Yue, Fred	17 February 2007	Date of commencement of initial public offering to 17 February 2014	13.330	20,000

Long positions in common shares and the underlying shares of equity of derivatives in CDC Games International Corporation (formerly known as CDC Games Corporation) ("CDC Games")

Name of Directors	Number of shares	Number of underlying shares	Nature of interests/Holding capacity	Approximate percentage of interests
Ch'ien Kuo Fung, Raymond	-	100,000	Personal/beneficiary	0.33%
Cheng Loi	-	45,000	Corporate Note (2)	0.15%
Wang Cheung Yue, Fred	-	120,000	Personal/beneficiary	0.40%
Wong Kwong Chi	-	500,000	Personal/beneficiary	1.67%
Yip Hak Yung, Peter	-	900,000	Interest of children or spouse Note (1)	3.00%

Notes:

- (1) These options to subscribe for common shares were held under the name of Asia Pacific On-Line Limited, a company 50% owned by the spouse of Mr. Yip Hak Yung, Peter and 50% owned by a trust established for the benefit of the spouse and children of Mr. Yip.
- (2) These options were beneficially owned by SLC Management Consulting International Limited, a company 100% owned by Dr. Cheng Loi.

Options to subscribe for common shares in CDC Games pursuant to its share option scheme

Name of Directors	Date of Grant	Exercise period	Exercise price US\$	Number of share options outstanding as at 31 March 2011
Ch'ien Kuo Fung, Raymond	21 April 2008	Date of commencement of initial public offering to 21 April 2015	2.570	100,000
Cheng Loi	21 April 2008	Date of commencement of initial public offering to 21 April 2015	2.570	45,000
Wang Cheung Yue, Fred	21 April 2008	Date of commencement of initial public offering to 21 April 2015	2.570	120,000
Wong Kwong Chi	21 April 2008	Date of commencement of initial public offering to 21 April 2015	2.570	500,000
Yip Hak Yung, Peter	21 April 2008	Date of commencement of initial public offering to 21 April 2015	2.570	900,000

Long positions in Class A ordinary shares and the underlying shares of equity of derivatives in CDC Software Corporation (listed on NASDAQ, Stock Code: CDCS) ("CDCS")

Name of Directors	Number of shares	Number of Underlying shares	Nature of interests/Holding capacity	Approximate percentage of interests
Ch'ien Kuo Fung, Raymond	–	45,750	Personal/beneficiary	0.16%
Cheng Loi	–	7,000	Corporate Note (2)	0.02%
Wong Kwong Chi	–	34,000	Personal/beneficiary	0.12%
Yip Hak Yung, Peter	81,119	549,084	Interest of children or spouse Note (1)	2.17%

Options/stock appreciation rights to subscribe for Class A ordinary shares in CDCS pursuant to its share option scheme

Name of Directors	Date of Grant	Exercise period	Exercise price US\$	Number of share options/stock appreciation rights outstanding as at 31 March 2011
Ch'ien Kuo Fung, Raymond	11 September 2009	11 December 2009 to 10 September 2016	8.450	32,000
	4 August 2010	4 August 2010 to 3 August 2017	6.750	13,750 Note (2)
Cheng Loi	11 September 2009	11 December 2009 to 10 September 2016	8.450	4,000 Note (3)
	4 August 2010	4 August 2010 to 3 August 2017	6.750	3,000 Note (2) & Note (3)
Wong Kwong Chi	11 September 2009	11 December 2009 to 10 September 2016	8.450	34,000
Yip Hak Yung, Peter	11 September 2009	11 December 2009 to 10 September 2016	8.450	299,084
	1 March 2010	1 June 2010 to 28 February 2017	10.150	250,000

Note:

- (1) 81,119 Class A ordinary shares were held by the spouse of Mr. Yip. 549,084 options were granted to Asia Pacific On-Line Limited, a company 50% owned by the spouse of Mr. Yip and 50% owned by a trust established for the benefit of the spouse and children of Mr. Yip.
- (2) This represents stock appreciation rights ("SARs") granted under the 2009 Stock Incentive Plan.
- (3) These SARs were beneficially owned by SLC Management Consulting International Limited, a company 100% owned by Dr. Cheng Loi.

Save as disclosed above, as at 31 March 2011, none of the directors and chief executives had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.


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

So far as is known to any director or chief executive of the Company, as at 31 March 2011, the following companies (not being a Director or chief executive of the Company) who have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Number of shares	Number of underlying shares	Percentage of issued share capital
CDC Corporation	84,519,700	–	78.86%
China M Interactive (BVI) Limited	84,045,700	–	78.42%
Asia Pacific On-Line Limited	539,160	6,524,072	6.59%

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.

Asia Pacific On-Line Limited is 50% owned by the spouse of Mr. Yip Hak Yung, Peter ("Mr. Yip") and 50% owned by a trust established for the benefit of the spouse and children of Mr. Yip.



Save as disclosed above, as at 31 March 2011, none of the directors are aware of any other persons who has an interest or short position in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is interested in 10% or more of the normal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company.

COMPETING INTERESTS

Professor Li On-kwok, Victor, an Independent Non-Executive Director of the Company, is a well recognized leader in the field of information technology development and has been appointed to various positions including consultants and directors to institutions and business entities which are engaged in research, development and business. These institutions and business entities may be in competition with the Group.

Saved as disclosed herein, 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.

SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 31 March 2011, the Company has not adopted a code of conduct regarding the directors' securities transactions but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Required Standard of Dealings"). Having made specific enquiry of all directors of the Company, the directors confirmed that they have complied with or they were not aware of any non-compliance with the Required Standard of Dealings during the three months ended 31 March 2011.


CORPORATE GOVERNANCE CODE COMPLIANCE

The Company has applied the principles of the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules and is satisfied that the Company has complied throughout the three months ended 31 March 2011 with the Code.

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 (the "Code") contained in Appendix 15 of the GEM Listing Rules. 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 comprised three independent non-executive directors namely, Dato' Dr. Wong Sin Just (Committee Chairman), Mr. Wang Cheung Yue, Fred and Dr. Lam Lee G. until 23 March 2011. On 23 March 2011, the Board of the Company announced (1) the resignation of Dato' Dr. Wong Sin Just from his positions as independent non-executive director, chairman and member of audit committee, member of remuneration committee, and member of nomination committee of the Company; and (2) the resignation of Dr. Lam Lee G. from his positions as independent non-executive director, member of audit committee, member of remuneration committee, and chairman and member of nomination committee of the Company. Following their resignation, the Company is required to appoint independent non-executive directors to meet the requirements set out in Rule 5.05(2) of the GEM Listing Rules that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise as well as that in Rule 5.28 of the GEM Listing Rules that the audit committee must comprise a minimum of 3 members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required in Rule 5.05(2). The Company is in the course of identifying suitable candidates for the appointment as independent non-executive directors and as members of the audit committee of the Company in order to meet the qualifications and the minimum number of audit committee members required under the GEM Listing Rules as soon as practicable and in any event within 3 months from 23 March 2011, being the date of resignation of Dato' Dr. Wong and Dr. Lam. The candidates will also fill the vacancies as the members of the remuneration committee and nomination committee of the Company. Further announcement will be made by the Company upon fulfillment of the aforesaid requirements.

As at the date of this report, the audit committee comprises only one member namely Mr. Wang Cheung Yue, Fred. The audit committee meeting was held on 6 May 2011. However, since a valid quorum could not be formed at the time of the scheduled meeting due to the departure of two audit committee members in late March 2011. The draft of this results was reported to the Board of the Company to review and approve. The Company is still in the course of identifying appropriate persons to act as audit committee members.



The Company's first quarterly results for the three months ended 31 March 2011 have been reviewed and approved by the Board of the Company on 9 May 2011.

DIVIDEND

The Board has resolved not to declare any interim dividend for the three months ended 31 March 2011.

On behalf of the Board
Dr. Ch'ien Kuo Fung, Raymond
Chairman

Hong Kong, 9 May 2011

As at the date of this report, the executive directors of the Company are Mr. Wong Kwong Chi and Dr. Cheng Loi; the non-executive directors are Dr. Ch'ien Kuo Fung, Raymond, Mr. Yip Hak Yung, Peter, and Mr. Mao Hongcheng; the independent non-executive directors are Mr. Wang Cheung Yue, Fred, Mr. Anson Wang and Professor Li On-kwok, Victor.