

## GENERAL INFORMATION

### DIRECTORS' SERVICE CONTRACTS

At 30 June 2006, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 14 to the condensed consolidated financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the six months ended 30 June 2006.

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2006, the interests of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### Long positions in ordinary shares of the company:

Name of director	Number of shares held	Capacity and nature of interest	Percentage of the Company's issued share capital
Mr. Ng Kong Fat, Brian	8,792,755*	Through a controlled corporation	1.78
Mr. Cao Wei	8,000,000	Directly beneficially owned	1.62

\* The 8,792,755 shares are held by Sunbird Holdings Limited, a company beneficially owned by Mr. Ng Kong Fat, Brian.

## **DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES** (continued)

Long positions in ordinary shares of an associated corporation of the company:

<b>Name of director</b>	<b>Name of associated corporation</b>	<b>Relationship with the Company</b>	<b>Number of shares held</b>	<b>Capacity and nature of interest</b>	<b>Percentage of the associated corporation's issued share capital</b>
Mr. Ng Kong Fat, Brian	BD Ah Yat Abalone Group Limited	Company's subsidiary	1,462,000	Directly beneficially owned	21.5

The interests of the directors in the share options of the Company are separately disclosed under the heading "Share Option Schemes" below.

In addition to the above, Mr. Ng Kong Fat, Brian has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2006, none of the directors and the associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the heading "Share Option Schemes" below, at no time during the six months ended 30 June 2006 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEMES

### The Company

The Company operates a share option scheme (the "Scheme") to give executives and key employees of the Group an interest in preserving and maximising shareholders' value in the longer term, to enable the Company and the relevant subsidiaries to attract and retain individuals with experience and ability and to reward individuals for future performance. Eligible participants of the Scheme include the executive directors and employees of the Company or any of its subsidiaries. The Scheme became effective on 18 June 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 25% of the aggregate number of shares for the time being issued and issuable under the Scheme.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period, if applicable, and ends on a date which is not later than five years from the date on which the offer of the share options is accepted or on the expiry date of the Scheme, whichever is earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares on the Stock Exchange on the date of the offer of the share options; (ii) the average of the closing prices of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

**SHARE OPTION SCHEMES** (continued)**The Company** (continued)

The following share options were outstanding under the Scheme during the six months ended 30 June 2006:

Name or category of participant	Notes	Number of share options			
		At 1 January 2006	Granted during the period	Lapsed/ forfeited during the period	At 30 June 2006
<b>Executive directors:</b>					
Mr. Zhang Honghai	(c)	–	4,000,000	–	4,000,000
Mr. Li Kangying	(b)	2,700,000	–	–	2,700,000
	(c)	–	800,000	–	800,000
		2,700,000	800,000	–	3,500,000
Mr. E Meng	(a)	1,600,000	–	(1,600,000)	–
	(b)	1,200,000	–	–	1,200,000
	(c)	–	1,600,000	–	1,600,000
		2,800,000	1,600,000	(1,600,000)	2,800,000
Mr. Wang Yong	(c)	–	3,000,000	–	3,000,000
Mr. Cao Wei	(b)	2,500,000	–	–	2,500,000
	(c)	–	500,000	–	500,000
		2,500,000	500,000	–	3,000,000
Dr. Yu Xiaoyang	(c)	–	2,800,000	–	2,800,000
Mr. Ng Kong Fat, Brian	(a)	2,300,000	–	(2,300,000)	–
	(b)	1,200,000	–	–	1,200,000
	(c)	–	1,600,000	–	1,600,000
		3,500,000	1,600,000	(2,300,000)	2,800,000
<b>Other employees:</b>					
In aggregate	(a)	4,060,000	–	(4,060,000)	–
	(b)	12,500,000	–	(6,300,000)	6,200,000
	(c)	–	17,200,000	–	17,200,000
		16,560,000	17,200,000	(10,360,000)	23,400,000
	28,060,000	31,500,000	(14,260,000)	45,300,000	

## SHARE OPTION SCHEMES (continued)

### The Company (continued)

Notes:

- (a) These options were granted on 19 June 2001 at an exercise price of HK\$1.13 per share and lapsed on 26 June 2006.
- (b) These options were granted on 18 January 2002 at an exercise price of HK\$1.00 per share. The options may be exercised in three equal portions. The first portion is exercisable at any time commencing on 18 January 2002, and each further portion becomes exercisable on 1 January in each of the following years. All of the options, if not otherwise exercised, will lapse on 17 January 2007.
- (c) These options were granted on 27 June 2006 at an exercise price of HK\$1.00 per share. The closing price of the Company's shares on the Stock Exchange on the trading day immediately prior to the date of the grant of the share options was HK\$0.84. The options may be exercised at any time commencing on 27 June 2006 and, if not otherwise exercised, will lapse on 26 June 2011.

31,500,000 share options were granted during the six months ended 30 June 2006. The value of such share options granted are not material to the financial statements for the period under review. No share options were exercised during the six months ended 30 June 2006. At 30 June 2006, the Company had 45,300,000 share options outstanding under the Scheme, which represented approximately 9.2% of the Company's shares in issue. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 45,300,000 additional ordinary shares of the Company and additional share capital of HK\$45,300,000.

### Xteam Software International Limited ("Xteam")

Xteam adopted a pre-IPO share option scheme on 30 May 2001 pursuant to which the directors and employees of the Xteam Group may be granted share options to subscribe for shares in Xteam.

Xteam also adopted a post-IPO share option scheme on 21 November 2001 pursuant to which the board of directors of Xteam may, at their discretion, invite any full-time employees of the Xteam Group, including any executive and non-executive directors, and any advisers, consultants of or to any member of the Xteam Group to take up options to subscribe for shares in Xteam.

**SHARE OPTION SCHEMES** (continued)**Xteam Software International Limited (“Xteam”)** (continued)

Pursuant to Xteam’s pre-IPO share option scheme and post-IPO share option scheme, the following share options were outstanding during the six months ended 30 June 2006:

<b>Name or category of participant</b>	Notes	<b>Number of share options</b>			<b>At 30 June 2006</b>
		<b>At 1 January 2006</b>	<b>Granted during the period</b>	<b>Forfeited during the period</b>	
A former employee	(a)	50,000,000	–	–	50,000,000
Existing employees	(b)	13,500,000	–	(2,200,000)	11,300,000
Advisers and consultants	(b)	33,000,000	–	–	33,000,000
		<u>96,500,000</u>	<u>–</u>	<u>(2,200,000)</u>	<u>94,300,000</u>

Notes:

- (a) These options were granted to an employee on 14 November 2001 under the pre-IPO share option scheme at an exercise price of HK\$0.266 per share. No such share options were exercised during the six months ended 30 June 2006, and the 50,000,000 outstanding pre-IPO share options were forfeited in July 2006 due to the resignation of the employee.
- (b) These options were granted on 19 December 2003 under the post-IPO share option scheme at an exercise price of HK\$0.14 per share. No such share options were exercised during the six months ended 30 June 2006.

**SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES**

At 30 June 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

**Long positions in ordinary shares of the Company:**

<b>Name</b>	<b>Notes</b>	<b>Capacity and nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of the Company's issued share capital</b>
Idata Finance Trading Limited ("IFTL")	(a)	Directly beneficially owned	275,675,000	55.81
Illumination Holdings Limited ("IHL")	(b)	Directly beneficially owned	49,325,613	9.99
Beijing Enterprises Holdings Limited ("BEHL")	(a)	Through a controlled corporation	275,675,000	55.81
Beijing Enterprises Investments Limited ("BEIL")	(a)	Through a controlled corporation	275,675,000	55.81
Beijing Holdings Limited ("BHL")	(a)/(b)	Through controlled corporations	325,000,613	65.79

Notes:

- (a) IFTL is a direct wholly-owned subsidiary of BEHL, which is held directly as to approximately 44% and indirectly as to approximately 16% by BEIL. BEIL is held indirectly as to approximately 66.5% by BHL. Accordingly, the shares in which IFTL is shown to be interested are also the shares in which BEHL, BEIL and BHL are interested.
- (b) IHL is an indirect wholly-owned subsidiary of BHL. The shares in which IHL is shown to be interested are included in the shares in which BHL are interested.

Save as disclosed above, as at 30 June 2006, no person, other than the directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

**PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2006.

**SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issue share capital was held by the public as at the date of this report.