
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Composite Document, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your Superdata Shares, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

The Stock Exchange and HKSCC take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

PROFIT EAGLE LIMITED

(incorporated in the Cayman Islands with limited liability)



**SUPERDATA SOFTWARE
HOLDINGS LIMITED**

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8263)

VOLUNTARY CONDITIONAL OFFER BY

Morgan Stanley

on behalf of

PROFIT EAGLE LIMITED

**FOR ALL THE SHARES OF SUPERDATA SOFTWARE HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY HELD BY PROFIT EAGLE
AND ITS CONCERT PARTIES)**

**AND THE PROPOSED WITHDRAWAL OF LISTING OF SUPERDATA AND
THE CANCELLATION OF ALL OUTSTANDING SHARE
OPTIONS OF SUPERDATA**

Financial Adviser to Profit Eagle Limited

Morgan Stanley

Independent Financial Adviser to the
Independent Board Committee of
Superdata Software Holdings Limited



PLATINUM
Securities

Platinum Securities Company Limited

Financial Adviser to
Superdata Software Holdings Limited



第一上海
FIRST SHANGHAI GROUP

First Shanghai Capital Limited

A letter from the Independent Board Committee containing its recommendation in respect of the Offer and the Option Offer to the Independent Shareholders and Optionholders is set out on pages 31 to 32 of this Composite Document and a letter from the independent financial adviser to the Independent Board Committee, Platinum Securities Company Limited, containing its advice on the Offer and the Option Offer to the Independent Board Committee is set out on pages 33 to 66 of this Composite Document.

The procedures for acceptance and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances should be received by the Receiving Agent, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4.00 p.m. on Friday, 20 January 2006 (or such later time and/or date as Profit Eagle may decide and announce in accordance with the Takeovers Code).

12 December 2005

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OTHER THAN IN COMPLIANCE WITH APPLICABLE UNITED STATES SECURITIES LAWS, NO SOLICITATION RELATING TO THE GENERAL OFFER FOR SUPERDATA SHARES, INCLUDING THE SOLICITATION OF ANY ACCEPTANCE OF SUCH OFFER, ARE BEING MADE OR WILL BE MADE, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AND NEITHER MORGAN STANLEY, PROFIT EAGLE NOR SUPERDATA IS SOLICITING ANY ACCEPTANCE OF THE GENERAL OFFER FROM ANY HOLDER OF SUCH SHARES IN THE UNITED STATES. ANY SECURITIES OF PROFIT EAGLE THAT MAY BE DELIVERED IN THE OFFER WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN APPLICABLE EXEMPTION FROM REGISTRATION REQUIREMENTS.

OTHER THAN IN COMPLIANCE WITH APPLICABLE UNITED STATES SECURITIES LAWS, COPIES OF THIS COMPOSITE DOCUMENT ARE NOT BEING MAILED OR OTHERWISE DISTRIBUTED OR SENT IN OR INTO OR MADE AVAILABLE IN THE UNITED STATES. PERSONS RECEIVING THIS COMPOSITE DOCUMENT (INCLUDING CUSTODIANS, NOMINEES AND TRUSTEES) MUST NOT DISTRIBUTE OR SEND SUCH DOCUMENTS OR ANY RELATED DOCUMENTS IN, INTO OR FROM THE UNITED STATES.

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Notice to US investors:

Pursuant to exemptive relief granted by the SEC from Rule 14e-5 under the US Exchange Act, Profit Eagle, acting directly or indirectly through its agents, advisers and other nominees or brokers, may make purchases of, or arrangements to purchase, Superdata Shares outside the United States during the period in which the Offer remains open for acceptance. In accordance with the requirements of Rule 14e-5 and the exemptive relief granted by the SEC, such purchases, or arrangements to purchase, must comply with Hong Kong law. Profit Eagle shall disclose in the United States by press release information regarding such purchases, or arrangements to purchase, Superdata Shares outside the Offer to the extent such information is made public in Hong Kong pursuant to Hong Kong law in accordance with the Takeovers Code.

To the extent that the Offer is being made in the United States, it is made directly by Profit Eagle. References in this Composite Document and in the Form of Acceptance to the Offer being made by Morgan Stanley on behalf of Profit Eagle should be construed accordingly.

CONTENTS

US Shareholders of Superdata should note that this Offer is made for the securities of a non-US company. The Offer is subject to the disclosure requirements of Hong Kong, which are different from those of the United States.

This Composite Document contains forward-looking statements regarding expectations concerning Profit Eagle's and Superdata's future operations and prospects. Whilst on the date such statements are made, they represent Profit Eagle's expectations, these expectations may change. Profit Eagle's expectations involve significant risks and uncertainties and are based upon many assumptions that Profit Eagle believes to be reasonable, but such assumptions may ultimately prove to be inaccurate or incomplete, in whole or in part. Accordingly, there can be no assurance that Profit Eagle's expectations and the forward-looking statements will be correct.

DEFINITIONS

In this Composite Document, the following expressions have the meaning set out below, unless the context requires otherwise:

“Accepting Shareholder”	Shareholders who accept the Offer by duly completing and returning the Form of Acceptance
“Beijing Visits”	Beijing Visits Ltd., a company incorporated in the British Virgin Islands, wholly and beneficially owned by, and whose sole director is, Mr. Lin Gang
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cash Alternative”	HK\$1.90 for each Superdata Share
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities and Clearing Company Limited
“Companies Law”	the Cayman Islands Companies Law (2004 Revision)
“Composite Document”	this composite offer and response document dated 12 December 2005, issued and despatched jointly by Profit Eagle and Superdata in relation to the Offer
“Concert Parties”	persons acting in concert with the Offeror (within the meaning of the Takeovers Code), including the Founding Shareholders
“Disinterested Shares”	all Superdata Shares other than those held by Profit Eagle and its Concert Parties
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Closing Date”	20 January 2006, being 40 days following the date on which this Composite Document was posted
“Form of Acceptance”	the form of acceptance and transfer in respect of the Offer which accompanies this Composite Document
“Founding Shareholders”	Mr. Cen Anbin, Mr. Zou Qixiong, Mr. Lin Gang (the executive directors of Superdata)

DEFINITIONS

“fully diluted”	the aggregate of the number of issued shares and shares issuable pursuant to options granted by the relevant company
“Funds”	OZ Master Fund, Limited and OZ Asia Master Fund, Limited
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited
“Heroic Performance”	Heroic Performance Management Ltd., a company incorporated in the British Virgin Islands, wholly and beneficially owned by, and whose sole director is, Mr. Zou Qixiong
“Heptad”	Heptad Ventures Limited, a company incorporated in the British Virgin Islands. Heptad is wholly-owned by CDH China Fund L.P., a private investment fund. As at the Latest Practicable Date, Heptad was interested in 13.22% of the issued Superdata Shares. Heptad is a founding investor in Superdata, however it is not considered to be acting in concert with Profit Eagle
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IDGVC”	IDG Technology Venture Investments Inc., incorporated in Massachusetts with limited liability. IDGVC is wholly owned by International Data Group, Inc, and is a private venture capital company. As at the Latest Practicable Date, IDGVC was interested in 21.34% of the issued Superdata Shares. IDGVC is a founding investor in Superdata, however it is not considered to be acting in concert with Profit Eagle

DEFINITIONS

“Independent Board Committee”	the independent committee of the board of directors of Superdata appointed to advise the Independent Shareholders and Optionholders in respect of the Offer and the Option Offer (being the two independent non-executive directors of Superdata)
“Independent Shareholders”	Shareholders other than Profit Eagle and its Concert Parties
“Investor Rights Agreement”	the agreement dated 18 October 2005 between Profit Eagle and the Funds as described under the heading “Investor Rights” in the Morgan Stanley Letter
“Irrevocable Undertakings”	irrevocable undertakings given by certain Shareholders in favour of Profit Eagle to accept the Offer, as set out in Appendix V
“Joint Announcement”	the joint press announcement dated 10 November 2005 made by Profit Eagle and Superdata regarding the proposed Offer and Option Offer
“Latest Practicable Date”	9 December 2005, being the last practicable date prior to the printing of this Composite Document for ascertaining certain information referred to in this Composite Document
“Morgan Stanley Letter”	the letter from Morgan Stanley to Shareholders as set out on pages 13 to 26 of this Composite Document
“Morgan Stanley”	Morgan Stanley Dean Witter Asia Limited, a registered institution for regulated activities Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) under the SFO, financial adviser to Profit Eagle
“Offer”	the voluntary conditional offer made by Morgan Stanley on behalf of Profit Eagle to acquire all of the issued and to be issued shares of Superdata other than those already held by Profit Eagle and its Concert Parties
“Offer Condition”	the condition to the Offer, as set out in paragraph 1 of Appendix I

DEFINITIONS

“Option Cash Alternative”	for each Superdata Option, an amount equal to HK\$1.90 less the exercise price of the relevant Superdata Option
“Option Rollover Alternative”	one Profit Eagle Option for each Superdata Option
“Option Offer”	the offer to be made by Profit Eagle for the cancellation of all Superdata Options in exchange for the Option Cash Alternative or the Option Rollover Alternative, subject to the Offer becoming unconditional
“Optionholder(s)”	holder(s) of Superdata Options
“Overseas Shareholders”	Shareholders whose registered addresses, as shown on the register of members of Superdata, are outside Hong Kong
“Platinum Securities”	Platinum Securities Company Limited, a licensed corporation for regulated activities Type 1 (dealing in securities) and Type 6 (advising on corporate finance) under the SFO, independent financial advisers to the Independent Board Committee
“PRC”	the Peoples’ Republic of China
“Profit Eagle”	Profit Eagle Limited, an exempted company incorporated in the Cayman Islands with limited liability
“Profit Eagle Directors”	the directors of Profit Eagle
“Profit Eagle Group”	Profit Eagle and its subsidiaries from time to time
“Profit Eagle Letter”	the letter from Profit Eagle to Shareholders, and for information to Optionholders, as set out on pages 9 to 12 of this Composite Document
“Profit Eagle Option”	an option to be granted by Profit Eagle to acquire one Profit Eagle Share
“Profit Eagle Share(s)”	ordinary share(s) of US\$0.01 in the share capital of Profit Eagle

DEFINITIONS

“Receiving Agent”	Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Registrar”	Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SEC”	The United States Securities and Exchange Commission
“Securities Act”	the U.S. Securities Act of 1993, as amended
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shanghai International”	Shanghai International Development Ltd., a company incorporated in the British Virgin Islands, wholly and beneficially owned by, and whose sole director is, Mr. Cen Anbin
“Share Alternative”	one Profit Eagle Share for each Superdata Share
“Shareholder(s)”	holder(s) of Superdata Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement entered into on 18 October 2005 between Profit Eagle, the Founding Shareholders, Shanghai International, Heroic Performance, Beijing Visits and the Funds, as described under the heading “Financing and Subscription Agreement” in the Morgan Stanley Letter
“Superdata”	Superdata Software Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on GEM
“Superdata Directors”	the directors of Superdata
“Superdata Group”	Superdata and its subsidiaries from time to time

DEFINITIONS

“Superdata Option(s)”	option(s) to acquire Superdata Shares granted and currently outstanding under the Superdata Pre-IPO Share Option Scheme or the Superdata Share Option Scheme (adopted in each case on 19 May 2003)
“Superdata Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Superdata
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unconditional Date”	the date on which the Offer becomes or is declared unconditional
“United States or US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Exchange Act”	the United States Exchange Act of 1934, as amended

EXPECTED TIMETABLE

Opening date of the Offer Monday, 12 December 2005

Estimated date on which Offer
becomes unconditional (*Note 1*) Thursday, 22 December 2005

Latest date for settlement of consideration
in respect of valid acceptances received
by the Unconditional Date (*Note 2*) Tuesday, 3 January 2006

Latest time for acceptance of the Offer
being the First Closing Date (*Note 3*) 4.00 p.m. on Friday, 20 January 2006

Announcement of results of the Offer
as at the First Closing Date in the
newspapers in Hong Kong (*Note 4*) Monday, 23 January 2006

Latest time by which the Offer can be declared
unconditional in all respects (*Note 5*) 7.00 p.m. on Friday, 10 February 2006

Notes:

1. The Offer is conditional upon valid acceptances of the Offer being received on or before 4.00 p.m. on the First Closing Date in respect of 90% of the Disinterested Shares. As at the Latest Practicable Date, Profit Eagle has received Irrevocable Undertakings from Shareholders to accept the Offer in respect of 94.89% of the Disinterested shares. Pursuant to the terms of those Irrevocable Undertakings, Shareholders have agreed to accept the Offer within 3 days of the posting of this Composite Document. However, notwithstanding Shareholders' obligations under the Irrevocable Undertakings, it is anticipated that there may be a delay in receiving relevant acceptances, such that the Offer does not become unconditional until on or about 22 December 2005. It is Profit Eagle's intention to declare the Offer unconditional on the same day the Offer Condition is satisfied.
2. The consideration payable for the Superdata Shares tendered under the Offer will be paid and/or issued to Superdata Shareholders accepting the Offer as soon as possible, but in any event within 10 days of the later of the date of receipt by the Receiving Agent of all the relevant documents to render the acceptance under the Offer complete and valid, and the date when the Offer becomes, or is declared, unconditional.

The latest date for settlement of consideration in respect of valid acceptances received by the Unconditional Date is based on an Unconditional Date of 22 December 2005. If the Unconditional Date is later than 22 December, the latest date for settlement of such consideration will be adjusted accordingly.

3. Under the Takeovers Code, the Offer must remain open for acceptances for at least 21 days following the date on which this Composite Document is posted. Under the Takeovers Code, the Offer must also remain open for at least 14 days following the date on which the Offer becomes or is declared unconditional. Under the terms of the Superdata Options, upon the Offer becoming unconditional, all Superdata Options become exercisable for a period of 21 days, after which they lapse. The Offer must therefore remain open for at least 21 days after the Offer becomes unconditional to allow for exercise of Superdata Options. If the Offer has not become unconditional by 30 December 2005, Profit Eagle will extend the Offer as may be necessary.

EXPECTED TIMETABLE

Profit Eagle reserves its right to extend the Offer until such date as it may determine (with the consent of the Funds) in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). Profit Eagle will issue a press announcement in relation to any extension of the Offer, which announcement will state the next closing date or if the Offer is at that time unconditional that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to those Superdata Shareholders who have not accepted the Offer.

Beneficial owners of Superdata Shares who hold their Superdata Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

4. Following the close of the Offer on Friday, 20 January 2006, being the First Closing Date, an announcement of the results of the Offer will be published through the Stock Exchange website by 7.00 p.m. on Friday, 20 January 2006 and will be republished in the newspapers in Hong Kong on Monday, 23 January 2006.
5. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7.00 p.m. on the 60th day after the day of this Composite Document was posted. Accordingly, unless the Offer has previously become unconditional as to acceptances, the Offer will lapse on Friday, 10 February 2006 unless extended with the consent of the Funds and the Executive. If the Offer becomes or is declared unconditional as to acceptances, Profit Eagle may declare the Offer open for acceptances: (i) up to the date four months from the day this Composite Document was posted; or (ii) if Profit Eagle has by that time become entitled to exercise compulsory acquisition rights, until any such later date as Profit Eagle may choose to close the Offer in accordance with the Takeovers Code.

All time references contained in this Composite Document refer to Hong Kong time.

LETTER FROM PROFIT EAGLE

Profit Eagle Limited
PO Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

12 December 2005

To: Independent Shareholders and Optionholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY MORGAN STANLEY ON BEHALF OF PROFIT EAGLE
FOR THE SHARES OF SUPERDATA (OTHER THAN THOSE ALREADY
HELD BY PROFIT EAGLE AND ITS CONCERT PARTIES)
AND THE PROPOSED WITHDRAWAL OF LISTING OF SUPERDATA AND
THE CANCELLATION OF ALL OUTSTANDING SUPERDATA OPTIONS**

On 10 November 2005, we announced a possible voluntary conditional offer to be made by Morgan Stanley on our behalf to acquire all the issued Superdata Shares (other than those already held by us and our Concert Parties) together with any Superdata Shares issued pursuant to the exercise of any Superdata Options. The making of the Offer was subject to certain pre-conditions, namely, our receiving irrevocable undertakings:

- (i) to accept the Offer, if made, in respect of at least 90 per cent. of the Superdata Shares to which the Offer relates (i.e. the Disinterested Shares); and
- (ii) to accept the Option Offer, if made, and to elect to receive the Option Rollover Alternative in respect of at least 50 per cent. of the Superdata Options (other than those held by the Founding Shareholders),

in each case on or before 30 November 2005.

On 28 November 2005, we announced that the pre-conditions had been satisfied and we confirmed our intention to proceed with the Offer.

Terms defined in the Composite Document (of which this letter forms part) have the same meanings when used in this document.

LETTER FROM PROFIT EAGLE

THE OFFER

Your attention is drawn to the Morgan Stanley Letter, Appendix I to the Composite Document and to the Form of Acceptance, which together set out the terms and conditions of the Offer and certain related information.

You should also read the letters from the Board of Superdata (other than the independent non-executive Superdata Directors who have formed the Independent Board Committee), which supports the Offer, Platinum Securities, the independent financial adviser to the Independent Board Committee, and from the Independent Board Committee itself.

THE OPTION OFFER

Subject to the Offer becoming unconditional, we will make an offer to all Optionholders for the cancellation of their Superdata Options. Details of the Option Offer are also set out in the Morgan Stanley Letter and will be set out in a separate letter to Optionholders at the time of the Option Offer.

INFORMATION ON PROFIT EAGLE

Profit Eagle is an exempted company incorporated in the Cayman Islands with limited liability. We have not carried out any business activities since our incorporation on 13 October 2004 and our current sole activity is to make the Offer. Our share capital consists of 500,000,000 shares of US\$0.01 each, of which 300 have been issued.

Profit Eagle is owned as to 100 ordinary shares each by the three executive directors of Superdata, Mr. Cen Anbin, Mr. Zou Qixiong and Mr. Lin Gang. The Profit Eagle Directors are Mr. Cen Anbin, Mr. Zou Qixiong and Mr. Lin Gang.

REASONS FOR THE OFFER

Superdata has grown profitably since being listed on GEM in May 2003, with net profit attributable to shareholders for the year ended 31 December 2004 increasing by approximately 107.7% as compared to the year ended 31 December 2003 (RMB32.4 million and RMB15.6 million respectively). Net profit attributable to shareholders for the nine months ended 30 September 2005 increased by approximately 27.30% compared with the nine months to September 2004 (RMB30.8 million and RMB24.2 million respectively). However, we believe that the historic share price of Superdata on GEM does not reflect the true value of Superdata. As such, we believe that the withdrawal of listing of Superdata from GEM and a possible subsequent new listing on an alternative exchange, which provides a more liquid and active market, will better serve Shareholders' interests.

LETTER FROM PROFIT EAGLE

INTENTIONS IN RELATION TO SUPERDATA

Compulsory Acquisition and Suspension of Dealings

If we receive valid acceptances for not less than 90% of the Disinterested Shares (being 308,365,267 Superdata Shares) and the Offer becomes unconditional, we intend to apply the provisions of section 88 of the Companies Law to compulsorily acquire any remaining Superdata Shares that are subject to but not tendered under the Offer. For that purpose, we must serve a notice of intention to acquire the relevant Superdata Shares in the manner prescribed under section 88 of the Companies Law on non-accepting Shareholders. Subject to the terms of the Companies Law, we as a transferee company will be entitled and bound to acquire those Superdata Shares on the same terms as the Offer.

Pursuant to Rule 2.11 of the Takeovers Code, we may only exercise our compulsory acquisition rights if we receive valid acceptances for not less than 90% of the Disinterested Shares within 4 months of the posting of the Composite Document.

In the event that the Offer becomes unconditional, Superdata has stated that it will apply to the Stock Exchange for suspension of trading in Superdata Shares from the close of the Offer up to the time of withdrawal of listing of Superdata from GEM.

Listing

Upon satisfaction of the conditions attaching to the Offer and completion of the compulsory acquisition process, Superdata will become our wholly-owned subsidiary and we intend to procure that Superdata will make an application for the withdrawal of the listing of its shares from GEM pursuant to GEM Listing Rule 9.23. Following the withdrawal of listing, we will pursue the listing of Profit Eagle Shares on an alternative, actively traded technology index and look to develop further relationships with strategic investors. Furthermore, pursuant to the Investor Rights Agreement (see the section headed “Investor Rights” in the Morgan Stanley Letter) we have undertaken to take such action as we are reasonably able to achieve the new listing of our shares within a period of 12 to 18 months from the date of the Investor Rights Agreement. **Shareholders should note however that there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed.**

Business and Management

It is our intention that Superdata will continue to focus on its existing business activities. We have no plans for any redeployment of the fixed assets of the Superdata Group. Subject to below in relation to directors, we do not intend to make any changes to the existing management and employees of Superdata following the closing of the Offer.

LETTER FROM PROFIT EAGLE

Upon completion of the Offer, we intend to appoint all the existing directors of Superdata to our board of directors (other than Superdata's independent non-executive directors). The independent non-executive directors of Superdata will resign from office. In addition, the Funds have a right to nominate a number of directors as Profit Eagle Directors as described under the heading "Investor Rights" in the Morgan Stanley Letter. All appointments and resignations of directors shall take effect as permitted under the Takeovers Code or by the Executive.

We have agreed with the Funds that following the withdrawal of listing of Superdata we will procure that Superdata enters into new three-year service contracts with each of Mr. Cen Anbin, Mr. Zou Qixiong and Mr. Lin Gang on the same terms as their current service contracts.

We strongly urge you to accept our Offer by signing and returning the accompanying Form of Acceptance and sending it by post or by hand to the Receiving Agent, Computershare Hong Kong Investor Services Limited, of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than 4.00 p.m. (Hong Kong time) on Friday, 20 January 2006. The procedure for acceptance is set out in detail in Appendix I to the Composite Document and in the accompanying Form of Acceptance.

Yours faithfully,
for and on behalf of
PROFIT EAGLE LIMITED
Mr. Cen Anbin
Director

LETTER FROM MORGAN STANLEY

Morgan Stanley

Morgan Stanley Dean Witter Asia Limited
30th Floor
Three Exchange Square
Central
Hong Kong SAR

12 December 2005

To Independent Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY MORGAN STANLEY ON BEHALF OF PROFIT EAGLE
FOR THE SHARES OF SUPERDATA (OTHER THAN THOSE ALREADY
HELD BY PROFIT EAGLE AND ITS CONCERT PARTIES)
AND THE PROPOSED WITHDRAWAL OF LISTING OF SUPERDATA AND
THE CANCELLATION OF ALL OUTSTANDING SUPERDATA OPTIONS**

INTRODUCTION

On 10 November 2005, Profit Eagle and Superdata announced a possible voluntary conditional offer to be made by us on behalf of Profit Eagle to acquire all the issued Superdata Shares (other than those already held by Profit Eagle and its Concert Parties) together with any Superdata Shares issued pursuant to the exercise of any Superdata Options. The making of the Offer was subject to certain pre-conditions, namely, Profit Eagle receiving irrevocable undertakings:

- (i) to accept the Offer, if made, in respect of at least 90 per cent. of the Superdata Shares to which the Offer relates (i.e. the Disinterested Shares); and
- (ii) to accept the Option Offer, if made, and to elect to receive the Option Rollover Alternative in respect of at least 50 per cent. of the Superdata Options (other than those held by the Founding Shareholders),

in each case on or before 30 November 2005.

On 28 November 2005, Profit Eagle announced that the pre-conditions had been satisfied and Profit Eagle confirmed its intention to proceed with the Offer.

LETTER FROM MORGAN STANLEY

The Offer is conditional upon valid acceptances of the Offer being received on or before 4.00 pm on the First Closing Date (or such other time as Profit Eagle may, subject to the Takeovers Code, and with the consent of the Funds, decide) in respect of 90% of the Disinterested Shares (being 308,365,267 Superdata Shares).

As at the Latest Practicable Date, Profit Eagle has received Irrevocable Undertakings from Shareholders to accept the Offer in respect of 94.89% of the Disinterested Shares (being 325,124,580 Superdata Shares).

This letter, Appendix I to the Composite Document (of which this letter forms part) and the accompanying Form of Acceptance sets out the terms and conditions of the Offer and certain related information.

Terms defined in the Composite Document have the same meanings when used in this letter.

THE OFFER

Morgan Stanley, on behalf of Profit Eagle, hereby offers to acquire, on the terms and subject to the conditions set out in the Composite Document and in the Form of Acceptance, all the issued Superdata Shares (other than those already held by Profit Eagle and its Concert Parties) together with any Superdata Shares issued pursuant to the exercise of any Superdata Options.

The Superdata Shares will be acquired cum any dividend or distribution that may be declared after the date of the Composite Document.

Shareholders who accept the Offer will be able to choose the Cash Alternative or the Share Alternative, as described below:

Cash Alternative

For each Superdata Share HK\$1.90 payable in cash

Share Alternative

For each Superdata Share 1 Profit Eagle Share

Comparison of Value of Cash Alternative

The amount of HK\$1.90 per Superdata Share represents:

- (a) a premium of approximately 4.4% over the closing price of one Superdata Share of HK\$1.82 as quoted on GEM on 17 October 2005, being the last full trading day for Superdata Shares prior to the Joint Announcement; and

LETTER FROM MORGAN STANLEY

- (b) a premium of approximately 4.4%, 6.7% and 7.3% over the average prices of HK\$1.82, HK\$1.78 and HK\$1.77 per Superdata Share respectively, being the average closing prices of Superdata Shares as quoted on GEM for the 20, 40 and 60 trading days respectively immediately prior to and including the last full trading day prior to the Joint Announcement.

Risk Factors relating to Profit Eagle Shares

When considering whether or not to elect to receive Profit Eagle Shares pursuant to the Offer, your attention is drawn to the risk factors as set out below. In addition, you are strongly advised to consult your stockbroker, bank manager, solicitor, professional accountant or other professional advisor who specialises in advising on the acquisition of shares or other securities. Shareholders are recommended to consider carefully, in the light of their investment objectives and having taken advice appropriate to their own financial circumstances, whether or not they wish to make an election for the Share Alternative.

The Profit Eagle Shares are shares of an unlisted, private company incorporated under Cayman Islands law. Accordingly, the rights of holders of Profit Eagle Shares will be primarily governed by Cayman Islands law. Although the Profit Eagle Directors have stated that they will pursue the listing of Profit Eagle Shares on an alternative, actively traded technology index, and pursuant to the Investor Rights Agreement Profit Eagle has undertaken that it will take such action as it is reasonably able to achieve a new listing of its shares within a period of 12 to 18 months from the date of the Investor Rights Agreement, there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed. Unless and until Profit Eagle Shares are listed on the Stock Exchange or any other stock exchanges, Profit Eagle will not be subject to the rules of the Stock Exchange or any other stock exchanges. Furthermore, there may be a limited market for the transfer of Profit Eagle Shares. (See further “Intentions in relation to Superdata” in the Profit Eagle Letter and “Investor Rights” below).

Although there are no restrictions on the transfer of the Profit Eagle Shares, under the Articles of Association of Profit Eagle, the Profit Eagle Directors have a discretion to refuse to register transfers of Profit Eagle Shares. However, the Profit Eagle Directors do not envisage using such discretion except in very limited circumstances such as where they are aware that to register such transfer would not be in compliance with US securities laws.

Shareholders should also note that Profit Eagle has entered into an agreement with the Funds which grants to the Funds certain rights in relation to the Profit Eagle Shares to be issued to the Funds, which will not be available to other shareholders. (See further “Financing and Subscription Agreement” and “Investor Rights” below.)

LETTER FROM MORGAN STANLEY

In addition, the Profit Eagle Shares will not be considered as eligible securities for CCASS.

You should be aware that the availability of and the amount of dividends which holders of the Profit Eagle Shares may receive in the future will depend on the performance and profitability of the Superdata Group, and may not be of the same quantum or amount which has been declared or paid on or in respect of Superdata Shares in the past and is not guaranteed by the Profit Eagle Group or any of its subsidiaries or any other person.

Estimated value of Profit Eagle Shares

In accordance with paragraph 30 of Schedule I of the Takeovers Code, subject to the full terms, conditions and all considerations set out in our letter in Appendix VI of the Composite Document, Morgan Stanley has advised the Profit Eagle Directors that if a Profit Eagle Share had been in issue as at the Latest Practicable Date an estimate of the value of a Profit Eagle Share would have been within a range of HK\$1.70 — HK\$1.90. This estimate of value does not represent a formal opinion of the value of a Profit Eagle Share or a Superdata Share by Morgan Stanley.

No election

Shareholders who accept the Offer but do not indicate clearly their choice of either the Share Alternative or the Cash Alternative will be deemed to have elected the Cash Alternative in respect of all the Superdata Shares to which their acceptance relates.

Acceptances of the Offer should be received by the Receiving Agent as soon as possible and in any event no later than 4.00 p.m. on Friday, 20 January 2006.

CONDITION TO THE OFFER

The Offer is conditional only upon valid acceptances of the Offer being received on or before Friday, 20 January 2006 (or such other time as Profit Eagle may, subject to the Takeovers Code, and with the consent of the Funds, decide) in respect of 90% of the Disinterested Shares (being 308,365,267 Superdata Shares). The condition is not waivable.

IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, Profit Eagle has received Irrevocable Undertakings from Shareholders to accept the Offer in respect of 94.89% of the Disinterested Shares (being 325,124,580 Superdata Shares). Details of those Irrevocable Undertakings are set out in Appendix V to the Composite Document. Pursuant to the terms of those Irrevocable Undertakings, Shareholders are required to accept the Offer in accordance with the elections set out in their undertakings, within 3 days of the posting of the Composite Document.

LETTER FROM MORGAN STANLEY

OPTION OFFER

The Option Offer is conditional upon the Offer becoming unconditional.

Subject to the Offer becoming unconditional, Profit Eagle will make an offer to all Optionholders to cancel their existing Superdata Options in exchange for the Option Cash Alternative or the Option Rollover Alternative as described below.

Option Cash Alternative

For each Superdata Option HK\$1.90 less the exercise price of the relevant Superdata Option in accordance with the table below (“**See-Through Price**”)

Exercise Price of Superdata Option	See-Through Price payable per Superdata Option
HK\$0.10	HK\$1.80
HK\$0.26	HK\$1.64
HK\$0.70	HK\$1.20

Option Rollover Alternative

For each Superdata Option 1 Profit Eagle Option

Nature of New Options

The terms of each Profit Eagle Option will match the terms of the existing Superdata Option (for example, exercise price, expiry date, vesting) in respect of which it is granted. However, Profit Eagle Shares are denominated in US\$ whereas Superdata Shares are denominated HK\$. The existing HK\$ exercise price of each Superdata Option will therefore be converted into a US\$ exercise price for each Profit Eagle Option at the fixed exchange rate of US\$1:HK\$7.80. The Profit Eagle Options will be granted pursuant to a new option scheme to be adopted by Profit Eagle.

LETTER FROM MORGAN STANLEY

Exercise of Superdata Options

Upon the Offer becoming or being declared unconditional, all Superdata Options will become exercisable for a period of 21 days after the Unconditional Date. Optionholders who do not accept the Option Offer may nonetheless exercise their options within 21 days from the Unconditional Date and elect to receive the Cash Alternative or the Share Alternative under the Offer in relation to the Superdata Shares issued to them upon exercise of their Superdata Options.

Lapse of Superdata Options

If any Superdata Option is not exercised within the period of 21 days after the Unconditional Date, it will automatically lapse.

No election

Optionholders who accept the Option Offer but do not indicate clearly their choice of either the Option Cash Alternative or the Option Rollover Alternative, or who do not accept the Option Offer, will be deemed to have elected to receive the Option Rollover Alternative in respect of their entire holding of Superdata Options.

Further details of the Option Offer will be set out in an option offer letter from Profit Eagle to be sent to each Optionholder upon the Offer becoming unconditional.

CONFIRMATION OF RESOURCES

On the assumption that the Irrevocable Undertakings received by Profit Eagle as at the Latest Practicable Date are not, and will not be, withdrawn, lapsed or varied, the maximum amount to be paid to Shareholders in connection with the Offer (including the compulsory acquisition exercise to be undertaken after the Offer, if applicable) is HK\$283,200,628 and the maximum amount to be paid to Optionholders in connection with the Option Offer is HK\$29,652,129 (total HK\$312,852,757). We are satisfied that sufficient resources are available to Profit Eagle to meet full acceptance of the Offer and the Option Offer as described above.

FINANCING AND SUBSCRIPTION AGREEMENT

Profit Eagle has entered into the Subscription Agreement with the Funds pursuant to which the Funds have agreed to provide up to HK\$444,352,562 for the purposes of meeting Profit Eagle's cash obligations under the Offer and Option Offer. Profit Eagle is independent of the Funds and the Subscription Agreement was negotiated and entered into on an arms length basis.

LETTER FROM MORGAN STANLEY

Pursuant to the Subscription Agreement, the Funds will pay to Profit Eagle HK\$2.00 in respect of each Superdata Share and each Superdata Option for which the Cash Alternative or the Option Cash Alternative is elected, respectively, and in consideration for each such HK\$2.00 the Offeror will issue to the Funds one Profit Eagle Share. With respect to Superdata Shares for which the Cash Alternative is elected, Profit Eagle will pay HK\$1.90 to the relevant Shareholder as the Cash Alternative for such share and shall use the remainder towards expenses in relation to the Offer and the Option Offer. With respect to Superdata Options for which the Option Cash Alternative is elected, the Offeror will pay HK\$1.90 less the exercise price of the relevant Superdata Option to the relevant Optionholder as the Option Cash Alternative for such Superdata Option and shall retain an amount equal to the relevant exercise price for its own purposes, including towards repayment of the loan from the Funds as described below. The Subscription Agreement is conditional only upon the Offer becoming unconditional and will terminate if the Offer does not become unconditional within 60 days of the posting of the Composite Document (or such later date as the Offer may remain open to, as may be agreed by the parties and approved by the Executive).

Profit Eagle has also entered into a loan agreement with the Funds pursuant to which the Funds have lent to Profit Eagle the sum of HK\$25 million for the purposes of providing funding to Profit Eagle for the Offer and the Option Offer and the costs associated with the Offer and the Option Offer and such sum has been deposited into an account controlled by Profit Eagle and Morgan Stanley. Profit Eagle intends to repay the loan and interest payable on the loan from the monies received from the Funds which reflects the relevant exercise price of Superdata Options for which the Option Cash Alternative is elected, as described above. To the extent of any shortfall, Profit Eagle intends to utilize Superdata's cash reserves, subject to completion of the compulsory acquisition process and Superdata having become a wholly owned subsidiary of Profit Eagle, and to that extent repayment of the loan and any interest thereon will depend on the business of Superdata.

Based on the number of Shareholders and Optionholders who have given Irrevocable Undertakings to elect to receive the Cash Alternative or the Option Cash Alternative, respectively, as at the Latest Practicable Date, on completion of the Offer and the Option Offer, the Funds will hold between 36.58% and 40.40% of the share capital of Profit Eagle (calculated on a fully diluted basis including the issue of any Profit Eagle Shares to us (see "Morgan Stanley Option" below).

As at the Latest Practicable Date, neither the Funds nor any of their respective associates (within the meaning of the Takeovers Code) has any interest in any Superdata Shares.

LETTER FROM MORGAN STANLEY

INVESTOR RIGHTS

Profit Eagle has entered into the Investor Rights Agreement with the Funds pursuant to which it has granted to the Funds the following rights to take effect from the time the Funds become a shareholder in Profit Eagle:

- the right to receive certain financial information in relation to the operations of the Profit Eagle Group and to be consulted on the annual budget of the Profit Eagle Group;
- the right to nominate one person as a director of Profit Eagle provided the Funds hold Profit Eagle Shares and the right to nominate 2 persons as directors of Profit Eagle, provided the Funds hold (in aggregate) more than 20% of the issued Profit Eagle Shares;
- pre-emption rights (in proportion to their shareholding) in relation to the issue of any new shares, including any convertible securities, issued by Profit Eagle;
- tag-along rights to dispose of their Profit Eagle Shares on a pro rata basis in the event that any other Profit Eagle shareholder holding 5% or more of Profit Eagle Shares proposes to dispose of any of its Profit Eagle Shares. Pursuant to these provisions, a transfer of Profit Eagle Shares by such shareholder will only be approved if the prospective buyer also makes an offer to acquire a proportionate number of Profit Eagle Shares held by the Funds on the same terms as the offer made to the prospective selling shareholder. **There is therefore a risk that a shareholder holding 5% or more of the issued Profit Eagle Shares may be unable to dispose of its Profit Eagle Shares if these conditions are not met;** and
- registration rights to require Profit Eagle to register its Profit Eagle Shares under the US Securities Act under certain circumstances.

Profit Eagle has also undertaken to the Funds that:

- the Profit Eagle Group will not undertake certain capital actions or merger transactions or incur certain indebtedness without the approval of the Funds (“Reserved Matters”); and
- it will take such action as it is reasonably able to achieve a new listing of its shares within a period of 12 to 18 months from the date of the Investor Rights Agreement.

The rights relating to board representation, pre-emption rights, tag-along rights, Reserved Matters and the proposed new listing have been incorporated into Profit Eagle’s Articles of

LETTER FROM MORGAN STANLEY

Association. Under the Articles of Association, the undertakings given to the Funds in relation to reserved matters and proposed new listing are given to all shareholders. In addition, shareholders holding 5% or more of Profit Eagle Shares will be required to use all reasonable endeavours as is reasonable to assist Profit Eagle achieving a new listing within the specified timetable.

CURRENT CAPITAL STRUCTURE OF SUPERDATA

As at the Latest Practicable Date, the capital structure of Superdata is as follows:

Shareholder	Number of Superdata Shares	Percentage of issued Superdata Shares	Percentage of Disinterested Shares
Profit Eagle and its Concert Parties	60,395,936	14.99%	—
Shareholders who have given Irrevocable Undertakings (See Appendix V)	325,124,580	80.67%	94.89%
Public	17,503,494	4.34%	5.11%
Total	<u>403,024,010</u>	<u>100%</u>	<u>100%</u>

Optionholder	Number of Superdata Options	Exercise Price per Superdata Option
Founding Shareholders	11,348,178	HK\$0.10
	<u>24,000,000</u>	<u>HK\$0.70</u>
Employees	2,422,950	HK\$0.10
	7,034,188	HK\$0.26
	<u>5,044,000</u>	HK\$0.70
Total	<u>49,849,316</u>	

FOUNDING SHAREHOLDERS

The Offer will not be extended to the Concert Parties. However, the Founding Shareholders (who are also directors and shareholders of Profit Eagle and are therefore considered to be Concert Parties) control in aggregate 60,395,936 Superdata Shares, representing approximately 14.99% of the existing issued share capital of Superdata. Each of the Founding Shareholders

LETTER FROM MORGAN STANLEY

has given an irrevocable commitment to Profit Eagle to transfer all Superdata Shares controlled by him to Profit Eagle, on the same terms as the Offer, subject to the Offer becoming or being declared unconditional in all respects. Under those irrevocable commitments each of the Founding Shareholders has elected to receive the Cash Alternative in respect of 25% of the Superdata Shares controlled by him and the Share Alternative in respect of 75% of the Superdata Shares controlled by him.

Each of the Founding Shareholders has also given an irrevocable commitment to Profit Eagle to accept the Option Offer in respect of all of the Superdata Options held by him. Under those irrevocable commitment, each of the Founding Shareholders has elected to receive the Option Cash Alternative in respect of 40% of each tranche of Superdata Options held by him and the Option Rollover Alternative in respect of 60% of each tranche of Superdata Option held by him.

MORGAN STANLEY OPTION

Profit Eagle has granted to Morgan Stanley an option to elect to receive its fees for acting as financial adviser to Profit Eagle in cash or in the form of Profit Eagle Shares.

The number of Profit Eagle Shares that may be issued to us under this option is the greater of four million and 1% of the total share capital of Profit Eagle (calculated on a fully diluted basis) on completion of the compulsory acquisition process. The option may be exercised within three days of the completion of the compulsory acquisition process.

As at the Latest Practicable Date, neither we nor any of our associates (within the meaning of the Takeovers Code) have any interest in any Superdata Shares.

PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

Procedure for acceptance

To accept the Offer, you should complete the enclosed Form of Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Offer.

The completed Form of Acceptance should then be forwarded, together with the relevant Superdata share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of Superdata Shares in respect of which you intend to accept the Offer by post, by express mail or other similar carrier services, or by hand to the Receiving Agent, Computershare Hong Kong Investor Services Limited as soon as practicable **and in any event, so as to reach the Receiving Agent by no later than 4.00 p.m. on Friday, 20 January 2006** (or such later time and date as Profit Eagle may determine (with the consent of the Funds) and announce in accordance with the Takeovers Code). No acknowledgement of receipt of any Form(s) of Acceptance, share certificate(s), transfer receipt(s) or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

LETTER FROM MORGAN STANLEY

Your attention is drawn to the section headed “Further Terms of the Offer” as set out in Appendix I to the Composite Document and the Form of Acceptance which describes the acceptance procedures in further detail.

Settlement

Subject to the Offer becoming or being declared unconditional and provided that a valid Form of Acceptance and the relevant Superdata share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order, a banker’s draft/cheque for the amount due to the Accepting Shareholder and/or share certificates for the number of Profit Eagle Shares due to the Accepting Shareholder in respect of the Superdata Shares tendered by the Accepting Shareholder under the Offer will be despatched to the Accepting Shareholder by ordinary post at his/her own risk as soon as possible, but in any event within 10 days of the later of the date on which the Offer becomes or is declared unconditional and the date on which all relevant documents are received by the Receiving Agent to render such acceptance complete and valid. If such latest date is not a Business Day, the latest day by which the Offer consideration will be despatched will be extended to the next following Business Day.

If you hold your Superdata Shares through a broker, custodian or other nominee, to accept the Offer it is essential that you provide instructions to your nominee agent of your intentions with regards to the Offer. To ensure equality of treatment of all Superdata Shareholders, those registered Superdata Shareholders who hold Superdata Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately.

If the Offer does not become or is not declared unconditional within the time permitted by the Takeovers Code, the Form of Acceptance and the relevant Superdata Share certificate(s) and/or transfer receipt(s) and/or any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by Profit Eagle will be returned to Shareholder(s) by post or such documents will be made available by the Receiving Agent for collection, as soon as possible but in any event within 10 days of the Offer having lapsed. Where a Shareholder has forwarded one or more transfer receipt(s) and in the meantime one or more Superdata Share certificate(s) has/have been collected on behalf of a Shareholder in respect thereof, the Shareholder will be sent such Superdata Share certificate(s) and any other document(s) of title by post in lieu of the transfer receipt(s).

Withdrawal of Profit Eagle Shares from CCASS

If you hold your Superdata Shares through CCASS and elect to receive the Share Alternative, the Profit Eagle Shares to be issued to you as consideration under the Offer will be issued to HKSCC Nominees Limited for the purposes of distribution to you by your licensed securities

LETTER FROM MORGAN STANLEY

dealer/custodian bank through CCASS. However, as the Profit Eagle Shares will not become eligible securities in CCASS, you are required to instruct your securities dealer/custodian bank to withdraw the Profit Eagle Shares from CCASS and arrange for the transfer of those shares into your own names, or some other nominee on your behalf, as soon as possible thereafter.

FURTHER TERMS OF THE OFFER

Further terms

Further terms and conditions of the Offer (including the procedures for acceptance and the acceptance period and revisions of the Offer) are set out in Appendix I to the Composite Document and the Form of Acceptance.

Completion of the Offer

If the Offer Condition is not satisfied on or before the First Closing Date, the Offer will lapse unless extended by Profit Eagle. In either case, Profit Eagle will issue a press announcement as soon as practicable thereafter notifying Shareholders of its intentions. The latest time and date on which Profit Eagle can declare the Offer unconditional is 7.00 p.m. on the 60th day after the posting of the Composite Document (or such later date as the Funds and the Executive may consent to).

If the Offer Condition is satisfied on or before the First Closing Date, Shareholders and Optionholders will be notified by press announcement as soon as practicable thereafter.

The Stock Exchange has the discretion to suspend trading in Superdata Shares under GEM Listing Rule 11.23 in the event that less than 25% of the Superdata Shares are held by the public.

Superdata Shares

Superdata Shares will be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid after the date of Joint Announcement.

Stamp Duty

All stamp duty payable in respect of acceptances of the Offer will be payable by Profit Eagle. No stamp duty will be deducted from the consideration to be paid or issued to Shareholders.

LETTER FROM MORGAN STANLEY

Overseas Shareholders

The making of the Offer in, or to Shareholders in, any jurisdiction outside Hong Kong may be affected by the laws of the relevant jurisdictions. Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong should inform themselves about, and observe, all applicable legal and regulatory requirements of the relevant jurisdictions.

It is the responsibility of any Shareholder not resident in Hong Kong who wishes to accept the Offer to satisfy himself as to the full observance of all the applicable laws and regulations of any relevant jurisdiction in connection therewith, including obtaining any government or other consent which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in such jurisdiction.

In the event that an overseas Shareholder elects for the Share Alternative and the allotment and issue of Profit Eagle Shares to such overseas Shareholder is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that Profit Eagle Directors regard as unduly onerous or burdensome, then such overseas Shareholder will be deemed to have elected for the Cash Alternative instead in respect of his or her Superdata Shares.

Absent an available exemption, no Shareholder that is resident in the United States or is a U.S. person (as defined in Rule 902 under the Securities Act) will be permitted to elect the Share Alternative, and may only accept the Cash Alternative. Each Shareholder electing the Share Alternative will be required to certify that (i) it is not in the United States and is not a U.S. person, (ii) it is not delivering its Superdata Shares from within the United States and (iii) it is not acting on a non-discretionary basis for a person in the United States.

Taxation and independent advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of Profit Eagle, Morgan Stanley, any of their respective directors or affiliates or any other person involved in the Offer accepts responsibility for any tax or other effects on, or liabilities of, any person as a result of his acceptance or rejection of the Offer.

Additional information

Your attention is drawn to the letters from the Board of Directors of Superdata, the Independent Board Committee and Platinum Securities which are set out in the Composite Document and the additional information set out in the Appendices which form part of the Composite Document.

LETTER FROM MORGAN STANLEY

ACTION TO BE TAKEN

Completed Forms of Acceptance should be despatched as soon as possible so as to be received by post or by hand by the Receiving Agent, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event so that it is received no later than 4.00 p.m. on Friday, 20 January 2006. The procedure for acceptance of the Offer is set out in detail in Appendix I to the Composite Document and in the accompanying Form of Acceptance.

Yours faithfully,
for and on behalf of

MORGAN STANLEY DEAN WITTER ASIA LIMITED

Rohit Sipahimalani

Managing Director



SUPERDATA SOFTWARE HOLDINGS LIMITED

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 8263)

Board of Directors:

Mr. Cen Anbin
Mr. Zou Qixiong
Mr. Lin Gang
Mr. Zhou Quan*
Mr. Lin Dongliang*
Mr. Jiao Shuge*
Mr. Wang Lin*
Dr. Lo Wing Yan, William, JP+
Mr. Kwong Kai Sing, Benny+

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P O Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

* *Non-executive Directors*

+ *Independent Non-executive Directors*

12 December 2005

To Independent Shareholders and Optionholders,

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY MORGAN STANLEY ON BEHALF OF PROFIT EAGLE
FOR THE SHARES OF SUPERDATA (OTHER THAN THOSE ALREADY
HELD BY PROFIT EAGLE AND ITS CONCERT PARTIES)
AND THE PROPOSED WITHDRAWAL OF LISTING OF SUPERDATA AND
THE CANCELLATION OF ALL OUTSTANDING SUPERDATA OPTIONS**

INTRODUCTION

On 10 November 2005, Profit Eagle and Superdata announced a possible voluntary conditional offer to be made by Morgan Stanley on behalf of Profit Eagle to acquire all the issued Superdata Shares (other than those already held by Profit Eagle and its Concert Parties) together with any Superdata Shares issued pursuant to the exercise of any Superdata Options. The making of the Offer was subject to a number of pre-conditions (as set out in the Joint Announcement). On 28 November 2005, Profit Eagle announced that the pre-conditions had been satisfied and Profit Eagle confirmed its intention to proceed with the Offer.

Terms defined in the Composite Document have the same meaning when used in this letter.

LETTER FROM THE BOARD OF DIRECTORS OF SUPERDATA

INFORMATION ON SUPERDATA

Superdata is incorporated in the Cayman Islands with limited liability and is listed on GEM. The principal activities of the Superdata Group are the development and sale of packaged and customised software products in the PRC.

The audited consolidated net profit of Superdata attributable to shareholders for the year ended 31 December 2004 was approximately RMB32.4 million, representing basic earnings per Superdata share of approximately RMB8.09. The audited shareholder's equity of Superdata as at 31 December 2004 was approximately RMB90.8 million.

THE OFFER

The Offer is a voluntary conditional offer by Morgan Stanley on behalf of Profit Eagle, to acquire all the issued Superdata Shares (other than those already held by Profit Eagle and its Concert Parties) together with any additional Superdata Shares issued pursuant to the exercise of Superdata Options, on the following basis:

Cash Alternative

For each Superdata Share HK\$1.90 payable in cash

Share Alternative

For each Superdata Share 1 Profit Eagle Share

The Offer is conditional only upon valid acceptances of the Offer being received on or before Friday, 20 January 2006 (or such other time as Profit Eagle may, subject to the Takeovers Code, and with the consent of the Funds, decide) in respect of 90% of the Disinterested Shares (being 308,365,267 Superdata Shares). The condition is not waivable.

As at the Latest Practicable Date, Profit Eagle has received Irrevocable Undertakings from Shareholders to accept the Offer in respect of 94.89% of the Disinterested Shares (being 325,124,580 Superdata Shares). Details of those Irrevocable Undertakings are set out in Appendix V to the Composite Document.

OPTION OFFER

The Option Offer is conditional upon the Offer becoming unconditional.

Subject to the Offer becoming unconditional, Profit Eagle will make an offer to all Optionholders to cancel their existing Superdata Options in exchange for the Option Cash Alternative or the Option Rollover Alternative as described below.

LETTER FROM THE BOARD OF DIRECTORS OF SUPERDATA

Option Cash Alternative

For each Superdata Option HK\$1.90 less the exercise price of
the relevant Superdata Option

Option Rollover Alternative

For each Superdata Option 1 Profit Eagle Option

INDEPENDENT BOARD COMMITTEE

In accordance with the Takeovers Code, the Independent Board Committee comprising Dr. Lo Wing Yan, William, JP and Mr. Kwong Kai Sing, Benny, who are independent non-executive Superdata Directors, has been formed to consider the terms of the Offer and the Option Offer and to advise the Independent Shareholders and Optionholders on the Offer and the Option Offer. Platinum Securities has been appointed as the independent financial adviser to advise the Independent Board Committee upon whether the terms of the Offer and the Option Offer are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned. Accordingly, with the benefit of such advice, the Independent Board Committee will make a recommendation as to the course of action which should be taken by Independent Shareholders and Optionholders. The appointment of Platinum Securities has been approved by the Independent Board Committee.

None of the other Superdata Directors is considered to be sufficiently independent in order to give a recommendation to Independent Shareholders or Optionholders in relation to the Offer or the Option Offer for the following reasons:

Messrs. Cen Anbin, Zou Qixiong and Lin Gang are executive directors of Superdata and are the shareholders and directors of Profit Eagle.

Messrs. Zhou Quan and Lin Dongliang are nominated by IDGVC (which is a substantial shareholder of Superdata and has given an Irrevocable Undertaking to accept the Offer in respect of all its Superdata Shares).

Messrs. Jiao Shuge and Wang Lin are nominated by Heptad (which is a substantial shareholder of Superdata and has given an Irrevocable Undertaking to accept the Offer in respect of all its Superdata Shares).

RECOMMENDATION

The Board of Superdata (other than the independent non-executive Superdata Directors who have formed the Independent Board Committee), recommend that Independent Shareholders and Optionholders accept the Offer and the Option Offer and believe that it provides an

LETTER FROM THE BOARD OF DIRECTORS OF SUPERDATA

opportunity to all Shareholders and Optionholders to realise their Superdata Shares or Superdata Options for cash or to exchange their Superdata Shares or Superdata Options for Profit Eagle Shares or Profit Eagle Options, with a possible re-listing on an alternative stock exchange. Your attention is drawn however to the letters from the Independent Board Committee and Platinum Securities set out on pages 31 to 32 and pages 33 to 66 respectively of the Composite Document containing their recommendation and advice in respect of the Offer and the Option Offer.

ADDITIONAL INFORMATION

Your attention is also drawn to the Morgan Stanley Letter, Appendix 1 to the Composite Document and the Form of Acceptance which set out the terms, conditions and procedures for acceptance of the Offer and the additional information set out in the other Appendices which form part of the Composite Document.

Yours faithfully,
for and on behalf of
SUPERDATA SOFTWARE HOLDINGS LIMITED
Mr. Zhou Quan
Director



SUPERDATA SOFTWARE HOLDINGS LIMITED

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 8263)

Registered Office:
Century Yard
Cricket Square
Hutchins Drive
P O Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

12 December 2005

To Independent Shareholders and Optionholders,

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY MORGAN STANLEY ON BEHALF OF PROFIT EAGLE
FOR THE SHARES OF SUPERDATA (OTHER THAN THOSE ALREADY
HELD BY PROFIT EAGLE AND ITS CONCERT PARTIES)
AND THE PROPOSED WITHDRAWAL OF LISTING OF SUPERDATA AND
THE CANCELLATION OF ALL OUTSTANDING SUPERDATA OPTIONS**

We refer to the letter from the Board of Directors of Superdata set out on pages 27 to 30 of the Composite Document. Terms defined in the Composite Document have the same meaning when used in this letter.

We have been appointed by the Board of Directors of Superdata as members of the Independent Board Committee to advise you as to whether the terms of the Offer and the Option Offer are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned and whether you should accept the Offer and the Option Offer. Platinum Securities has been appointed as the independent financial adviser to advise us in connection with the Offer and the Option Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE OF SUPERDATA

ADVICE FROM PLATINUM SECURITIES

We have considered carefully the terms of the Offer and the Option Offer and the advice from Platinum Securities, including the principal factors and reasons which led to its advice in relation to the Offer and the Option Offer. Your attention is drawn to the recommendations of Platinum Securities, which are set out in its letter of advice on pages 33 to 66 of the Composite Document, the “Letter from Profit Eagle” on pages 9 to 12 of the Composite Document which sets out its reasons for the Offer and its intentions in relation to Superdata, the Morgan Stanley Letter on pages 13 to 26 of the Composite Document, the “Letter from the board of directors of Superdata” on pages 27 to 30 of the Composite Document and the Appendices to the Composite Document which set out the financial and other further information on the Superdata Group.

In this regard, we note that Profit Eagle states that if the Offer becomes unconditional, it intends to withdraw the listing of Superdata from GEM and consider a future of listing Profit Eagle Shares on an alternative actively traded technology index and look to develop further relationships with strategic investors. We believe that these are appropriate strategies for Superdata.

RECOMMENDATIONS

The Independent Board Committee has resolved to adopt the advice of Platinum Securities as to the fairness and reasonableness of the Offer and the Option Offer. Accordingly, we consider that the terms of the Offer and the Option Offer are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned, and we advise you to accept the Offer and the Option Offer.

Yours faithfully,

Dr. Lo Wang Yan, William, JP
*Independent Non-executive
Director*

Mr. Kwong Kai Sing, Benny
*Independent Non-executive
Director*

LETTER FROM PLATINUM SECURITIES

The following is the text of the letter of advice from the independent financial adviser to the Independent Board Committee for the purpose of incorporation into the Composite Document.



PLATINUM Securities Company Limited

22/F Standard Chartered Bank Building
4 Des Voeux Road Central
Hong Kong

Telephone (852) 2841 7000
Facsimile (852) 2522 2700

12 December 2005

To the Independent Board Committee

Dear Sirs,

**VOLUNTARY CONDITIONAL OFFER
BY MORGAN STANLEY ON BEHALF OF PROFIT EAGLE
FOR THE SHARES OF SUPERDATA (OTHER THAN THOSE ALREADY
HELD BY PROFIT EAGLE AND ITS CONCERT PARTIES)
AND THE PROPOSED WITHDRAWAL OF LISTING OF SUPERDATA
AND THE CANCELLATION OF ALL OUTSTANDING
SUPERDATA OPTIONS**

INTRODUCTION

We refer to our engagement by the board of Superdata Directors (the “Board”) as the independent financial adviser to advise the Independent Board Committee in respect of the voluntary conditional offer by Morgan Stanley on behalf of Profit Eagle to acquire all of the issued Superdata Shares (other than those already held by Profit Eagle and its Concert Parties) together with any Superdata Shares issued pursuant to the exercise of any Superdata Options. Details of the Offer and the Option Offer are set out in the Composite Document dated 12 December 2005 issued jointly by Profit Eagle and Superdata of which this letter forms part. Our appointment by the Board has also been approved by the Independent Board Committee in compliance with Rule 2.1 of the Takeovers Code.

As the independent financial adviser, we are required under Rule 2.1 of the Takeovers Code to advise the Independent Board Committee as to whether or not the terms of the Offer and the Option Offer, are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned and to make a recommendation as to acceptance.

Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

LETTER FROM PLATINUM SECURITIES

Platinum Securities is independent from, and is not associated with, Profit Eagle, Superdata, or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice on the Offer and the Option Offer.

We will receive a normal professional fee from Superdata in connection with our appointment as the independent financial adviser. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from Profit Eagle, Superdata, or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

INDEPENDENT BOARD COMMITTEE

As stated in the letter from the Board, the Independent Board Committee comprising Dr. Lo Wing Yan, William, JP and Mr. Kwong Kai Sing, Benny, who are independent non-executive Directors, has been formed to consider the terms of the Offer and the Option Offer and to advise the Independent Shareholders and Optionholders on the Offer and the Option Offer.

None of the other Directors is considered to be sufficiently independent in order to give a recommendation to Independent Shareholders or Optionholders in relation to the Offer or the Option Offer for the following reasons:

Messrs. Cen Anbin, Zou Qixiong and Lin Gang are executive directors of Superdata and are the shareholders and directors of Profit Eagle.

Messrs. Zhou Quan and Lin Dongliang are nominated by IDGVC (which is a substantial shareholder of Superdata and has given an Irrevocable Undertaking to accept the Offer in respect of all its Superdata Shares).

Messrs. Jiao Shuge and Wang Lin are nominated by Heptad (which is a substantial shareholder of Superdata and has given an Irrevocable Undertaking to accept the Offer in respect of all its Superdata Shares).

QUALIFICATIONS ON THIS LETTER

This letter is subject to the following qualifications:

- (a) We have no reason to believe that the information supplied or opinions expressed in the Composite Document is inaccurate or that any material facts have been omitted or withheld from such information. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of Superdata. The Board has confirmed that no material facts have been omitted from the information

LETTER FROM PLATINUM SECURITIES

supplied to us. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our recommendation regarding the Offer and the Option Offer;

- (b) In formulating our opinion, we have relied on the information and facts supplied by, the opinions expressed by and the representations made by the Board and the management of Superdata concerning Superdata and the Offer and the Option Offer, including those facts, opinions and representations set out in the Composite Document. Examples of such information include financial information, terms of the Offer and the Option Offer, current business operations, general future outlook and reasons behind the Offer and the Option Offer. We have also relied on the Directors to ensure that the information and facts supplied to us by Superdata are true, accurate and complete. We have also assumed that all information, representations and opinions contained and referred to in the Composite Document are true and accurate and the opinions expressed by the experts contained or referred to in the Composite Document are fair and reasonable and accordingly, we have relied on them. The Board has confirmed that it takes full responsibility for the contents related to and supplied by Superdata in the Composite Document;
- (c) As the independent financial adviser, we have not been involved in the negotiations in respect of the Offer and the Option Offer. We consider that we have been provided with, and we have reviewed, sufficient information to enable us to reach an informed view regarding the Offer and the Option Offer. We have no reason to suspect that any material facts or information have been omitted or withheld from the information supplied or opinions expressed to us nor to doubt the truth, accuracy and completeness of the information and representations provided, or the reasonableness of the opinions expressed, to us by Superdata, the Superdata Directors and Superdata's advisers and representatives;
- (d) We are instructed to act as the independent financial adviser in relation to the terms of the Offer and the Option Offer. As such, the scope of our review, and consequentially, our opinion, is limited by reference to a financial point of view only and does not include any statement or opinion as to the merits or otherwise of the Offer and the Option Offer from any other point of view;
- (e) We have considered the Offer and the Option Offer from the perspective of the Independent Shareholders and the Optionholders as a whole respectively, and not from the perspective of each individual Independent Shareholder or Optionholder. As such, each Independent Shareholder and Optionholder should consider his/her/its acceptance on the merits or otherwise of the Offer and the Option Offer in his/her/its own circumstances and from his/her/its own point of view having regard to all the circumstances (and not only the financial perspectives offered in this letter) as well as his/her/its own investment objectives;

LETTER FROM PLATINUM SECURITIES

- (f) We have not been requested to opine as to, and our opinion does not in any manner address, any tax implication on the Independent Shareholders and Optionholders, any procedure in connection with the Share Offer and the Option Offer or any past, current or future foreign exchange rate fluctuations in any currency whether HK\$, US\$ or otherwise;
- (g) We express no opinion as to whether any of the Offer or the Option Offer will be completed or achieved;
- (h) Nothing contained in this letter should be construed as an opinion or view as to the trading price or market trends of any securities of Superdata at any particular time;
- (i) We were not requested to and did not provide services other than the delivery of this letter relating to the terms of the Offer and the Option Offer. We did not participate in negotiations with respect to the terms of the Offer and the Option Offer; and
- (j) The opinion contained in this letter is intended to provide only one of the bases on which the Independent Board Committee may make their recommendation to the Independent Shareholders on whether to accept the Offer and the Option Offer.

This letter is for the information of the Independent Board Committee solely in connection with their consideration of the Offer and the Option Offer and, except for its inclusion in the Composite Document and all references thereto in the “Letter from the Independent Board Committee” and elsewhere set out in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

We are a corporation licensed to carry out types 1 (dealing in securities) and 6 (advising on corporate finance) of the regulated activities under the SFO. We and our affiliates, whose ordinary business involves, among other things, trading of, and dealing in securities, may be involved in the trading of, dealing in, and the holding of the securities of Superdata for client accounts. As at the Latest Practicable Date, Platinum Securities does not have any shareholding in Superdata Shares nor Profit Eagle Shares in any form.

TERMS OF THE OFFER AND THE OPTION OFFER

The Offer

Morgan Stanley, on behalf of Profit Eagle, offers to acquire, on the terms and subject to the conditions set out in the Composite Document and in the Form of Acceptance, all the issued Superdata Shares (other than those already held by Profit Eagle and its Concert Parties) together with any Superdata Shares issued pursuant to the exercise of any Superdata Options.

LETTER FROM PLATINUM SECURITIES

Shareholders who accept the Offer will be able to choose the Cash Alternative or the Share Alternative, as described below:

Cash Alternative

For each Superdata Share HK\$1.90 payable in cash

Share Alternative

For each Superdata Share 1 Profit Eagle Share

Risk Factors relating to Profit Eagle Shares

When considering whether or not to elect to receive Profit Eagle Shares pursuant to the Offer, Independent Shareholders' and Optionholders' attention is drawn to the risk factors as set out below. In addition, Independent Shareholders and Optionholders are strongly advised to consult their stockbroker, bank manager, solicitor, professional accountant or other professional advisor who specialises in advising on the acquisition of shares or other securities. Shareholders are recommended to consider carefully, in light of their investment objectives and having taken advice appropriate to their own financial circumstances, whether or not they wish to make an election for the Share Alternative.

The Profit Eagle Shares are shares of an unlisted, private company incorporated under Cayman Islands law. Accordingly, the rights of holders of Profit Eagle Shares will be primarily governed by Cayman Islands law. Although the Profit Eagle Directors have stated that they will pursue the listing of Profit Eagle Shares on an alternative, actively traded technology index, and pursuant to the Investor Rights Agreement Profit Eagle has undertaken that it will take such action as it is reasonably able to achieve a new listing of its shares within a period of 12 to 18 months from the date of the Investor Rights Agreement, there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed. Unless and until Profit Eagle Shares are listed on the Stock Exchange or any other stock exchanges, Profit Eagle will not be subject to the rules of the Stock Exchange or any other stock exchanges. Furthermore, there may be a limited market for the transfer of Profit Eagle Shares. (See further "Intentions in relation to Superdata" in the Profit Eagle Letter and "Investor Rights" in the Morgan Stanley Letter).

Although there are no restrictions on the transfer of the Profit Eagle Shares, under the Articles of Association of Profit Eagle, the Profit Eagle Directors have a discretion to refuse to register transfers of Profit Eagle Shares. However, the Profit Eagle Directors do not envisage using such discretion except in very limited circumstances such as where they are aware that to register such transfer would not be in compliance with US securities laws.

LETTER FROM PLATINUM SECURITIES

Independent Shareholders and Optionholders should also note that Profit Eagle has entered into an agreement with the Funds which grants to the Funds certain rights in relation to the Profit Eagle Shares to be issued to the Funds, which will not be available to other shareholders. (See further “Financing and Subscription Agreement” and “Investor Rights” in the Morgan Stanley Letter.)

In addition, the Profit Eagle Shares will not be considered as eligible securities for CCASS.

Independent Shareholders and Optionholders should be aware that the availability of and the amount of dividends which holders of the Profit Eagle Shares may receive in the future will depend on the performance and profitability of the Superdata Group, and may not be of the same quantum or amount which has been declared or paid on or in respect of Superdata Shares in the past and is not guaranteed by the Profit Eagle Group or any of its subsidiaries or any other person.

As stated in the Morgan Stanley Letter, in accordance with paragraph 30 of Schedule I of the Takeovers Code, subject to the full terms, conditions and all considerations set out in the Morgan Stanley Letter in Appendix VI of the Composite Document, Morgan Stanley has advised the Profit Eagle Directors that if a Profit Eagle Share had been in issue as at the Latest Practicable Date an estimate of the value of a Profit Eagle Share would have been within a range of HK\$1.70 — HK\$1.90. This estimate of value does not represent a formal opinion of the value of a Profit Eagle Share or a Superdata Share by Morgan Stanley. As stated in Appendix VI in the Composite Document, this estimate of the value of the Profit Eagle Shares has been provided to the Profit Eagle Directors solely for the purposes of paragraph 30 of Schedule I of the Takeovers Code and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to and may not be relied upon by any third party for any purpose whatsoever.

As stated in Appendix VI in the Composite Document, in providing this estimate of value of the Profit Eagle Shares, Morgan Stanley expresses no opinion or recommendation to any person as to whether they should accept the Offer or the Option Offer or whether they should make any elections to choose the Cash Alternative, the Share Alternative, the Option Cash Alternative or the Option Rollover Alternative.

Independent Shareholders and the Optionholders are strongly advised to consider the content of our letter in whether to accept: (a) the Cash Alternative/the Option Cash Alternative and (b) the Share Alternative/the Option Rollover Alternative.

No election

Shareholders who accept the Offer but do not indicate clearly their choice of either the Share Alternative or the Cash Alternative will be deemed to have elected the Cash Alternative in respect of all of Superdata Shares to which their acceptance relates.

LETTER FROM PLATINUM SECURITIES

Pre-conditions of the Offer

The making of the Offer was conditional upon Profit Eagle receiving irrevocable undertakings:

- (i) to accept the Offer, if made, in respect of at least 90% of Superdata Shares to which the Offer relates (i.e. the Disinterested Shares);
- (ii) to accept the Option Offer, if made, and to elect to receive the Option Rollover Alternative in respect of at least 50% of Superdata Options (other than those held by the Founding Shareholders), in each case on or before 30 November 2005.

On 28 November 2005, Profit Eagle announced that the pre-conditions had been satisfied and Profit Eagle confirmed its intention to proceed with the Offer.

Condition of the Offer

The Offer is conditional upon valid acceptances of the Offer being received on or before 4.00 p.m. on the First Closing Date (or such other time as Profit Eagle may, with the consent of the Funds, and subject to the Takeovers Code, decide) in respect of 90% of the Disinterested Shares. This condition is not waivable.

As at the Latest Practicable Date, Profit Eagle has received Irrevocable Undertakings from the Shareholders to accept the Offer in respect of 94.89% of the Disinterested Shares. Details of those Irrevocable Undertakings are set out in Appendix V to the Composite Document. Pursuant to the terms of those Irrevocable Undertakings, the Shareholders are required to accept the Offer in accordance with the elections set out in their undertakings, within 3 days of the posting of the Composite Document. For details, please refer to the Composite Document.

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The Option Offer

Subject to the Offer becoming unconditional, Profit Eagle will make an offer to all Optionholders to cancel their existing Superdata Options in exchange for the Option Cash Alternative or the Option Rollover Alternative as described below:

Option Cash Alternative

	HK\$1.90 less the exercise price of the relevant Superdata Option in accordance with the table below
For each Superdata Option	(“See-Through Price”)
	See-Through Price payable per
Exercise Price of Superdata Option	Superdata Option
HK\$0.10	HK\$1.80
HK\$0.26	HK\$1.64
HK\$0.70	HK\$1.20

Option Rollover Alternative

For each Superdata Option 1 Profit Eagle Option

Nature of Profit Eagle Options

The terms of each Profit Eagle Option will match the terms of the existing Superdata Option (for example, exercise price, expiry date, vesting) in respect of which it is granted. However, Profit Eagle Shares are denominated in US\$ whereas Superdata Shares are denominated HK\$. The existing HK\$ exercise price of each Superdata Option will therefore be converted into a US\$ exercise price for each Profit Eagle Option at the fixed exchange rate of US\$1: HK\$7.80. The Profit Eagle Options will be granted pursuant to a new option scheme to be adopted by Profit Eagle.

Exercise of Superdata Options

Upon the Offer becoming or being declared unconditional, all Superdata Options will become exercisable for a period of 21 days after the Unconditional Date. Optionholders who do not accept the Option Offer may nonetheless exercise their options within 21 days from the Unconditional Date and elect to receive the Cash Alternative or the Share Alternative under the Offer in relation to the Superdata Shares issued to them upon exercise of their Superdata Options.

LETTER FROM PLATINUM SECURITIES

Lapse of Superdata Options

If any Superdata Option is not exercised within the period of 21 days after the Unconditional Date, it will automatically lapse.

No election

Optionholders who accept the Option Offer but do not indicate clearly their choice of either the Option Cash Alternative or the Option Rollover Alternative, or who do not accept the Option Offer, will be deemed to have elected to receive the Option Rollover Alternative in respect of their entire holding of Superdata Options.

Further details of the terms of the Offer and the Option Offer are set out in the Composite Document.

Intentions in Relation to Superdata

Compulsory Acquisition and Suspension of Dealings

If Profit Eagle receives valid acceptances for not less than 90% of the Disinterested Shares and the Offer becomes unconditional, Profit Eagle intends to apply the provisions of section 88 of the Companies Law to compulsorily acquire any remaining Superdata Shares that are subject to but not tendered under the Offer.

In the event that the Offer becomes unconditional, Superdata has stated that it will apply to the Stock Exchange for suspension of trading in Superdata Shares from the close of the Offer up to the time of withdrawal of listing of Superdata from GEM.

Listing

As stated in the Composite Document, upon satisfaction of the conditions attaching to the Offer and the completion of the compulsory acquisition process, Superdata will become a wholly-owned subsidiary of Profit Eagle and Profit Eagle intends to procure that Superdata will be withdrawn from listing on GEM pursuant to GEM Listing Rule 9.23. Following the withdrawal of listing, the Profit Eagle Directors will further consider listing the Profit Eagle Shares on an alternative, actively traded technology index and look to develop further relationships with strategic investors. **Shareholders should note however that there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed.**

Business and Management

It is Profit Eagle's intention that Superdata will continue its principal business activities. Profit Eagle has no plans for any redeployment of the fixed assets of the Superdata Group.

LETTER FROM PLATINUM SECURITIES

Subject to matters set out below in relation to directors, Profit Eagle does not intend to make any changes to the existing management and employees of Superdata following the closing of the Offer.

Upon completion of the Offer, Profit Eagle intends to appoint all the existing directors of Superdata to its board of directors (other than Superdata's independent non-executive directors). The independent non-executive directors of Superdata will resign from office. In addition, the Funds have a right to nominate a number of directors as Profit Eagle Directors as described under the heading "Investor Rights" in the Morgan Stanley Letter. All appointments and resignations of directors shall take effect as permitted under the Takeovers Code or by the Executive.

Profit Eagle has agreed with the Funds that following the withdrawal of listing of Superdata, Profit Eagle will procure that Superdata enters into new three-year service contracts with each of Mr. Cen Anbin, Mr. Zou Qixiong and Mr. Lin Gang on the same terms as their current service contracts.

For the further terms of the Offer, please refer to Appendix I of the Composite Document for details.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation relating to the terms of the Offer and the Option Offer and giving our independent financial advice to the Independent Board Committee, we have considered the following principal factors and reasons:

A. Reasons for and benefits of the Offer and the Option Offer

1. Business of the Superdata Group

Superdata is a company incorporated in the Cayman Islands with limited liability and Superdata Shares have been listed on GEM since 6 June 2003. The principal activities of the Superdata Group are the development and distribution of packaged and customised software products for small and medium enterprises ("SMEs") in the PRC.

2. Rationale for the Offer and the Option Offer

As stated in the letter from Morgan Stanley, on behalf of Profit Eagle, as set out in the Composite Document, Superdata has grown profitably since its listing on GEM in May 2003, with net profit attributable to the Shareholders for the year ended 31 December 2004 increasing 107.7% as compared to the year ended 31 December 2003 (2004: approximately RMB32.4 million; 2003: approximately RMB15.6 million). Net profit attributable to shareholders for the six months ended 30 June 2005 increased by approximately 28.9% compared with the six

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months to June 2004 (Six months ended 30 June 2005: RMB20.5 million; six months to June 2004: RMB15.9 million). However, Profit Eagle believes that the historical share price of Superdata on GEM does not reflect the true value of Superdata. As such, Profit Eagle believes that the withdrawal of the listing of Superdata from GEM with a possible subsequent new listing on an alternative exchange, which provides a more liquid and active market, will better serve the Shareholders' interests.

B. Industry overview

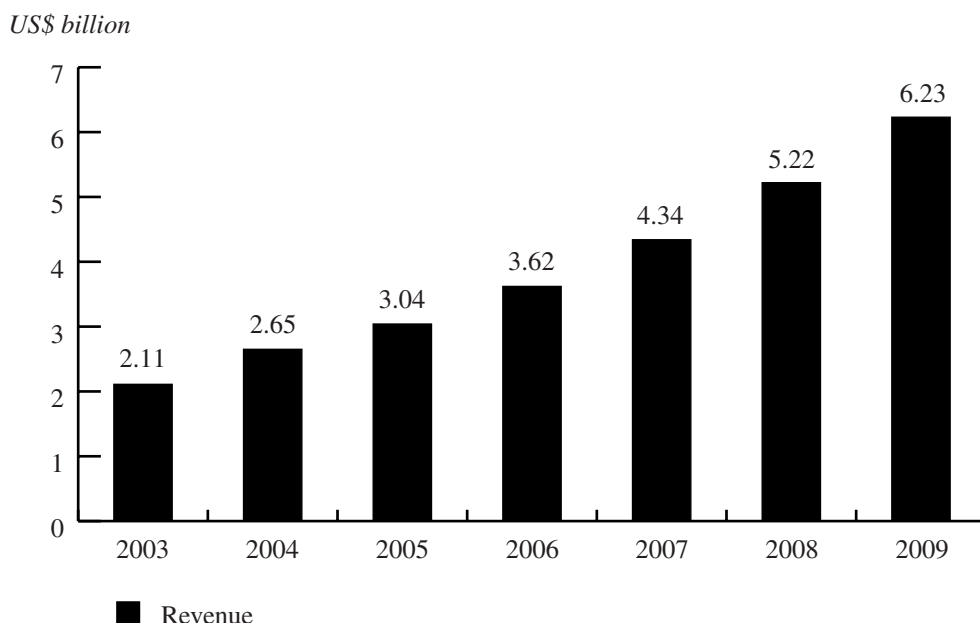
The Superdata Group is engaged in the development and sales of packaged management software for SMEs in the PRC. On 24 June 2000, the State Council of the PRC issued certain policies to encourage and stimulate the development of the PRC software industry and strengthen the international competitiveness of the PRC information technology industry. Pursuant to this policy, the PRC software enterprises are entitled to a number of preferential treatments, including preferential treatments related to the investment in the PRC software industries, favourable tax rates, export incentives, autonomy in determining employee' benefits and professional training support. Furthermore, the State Council of the PRC issued certain guidelines on the encouragement of the software industry to supplement and further strengthen this policy.

According to International Data Corporation ("IDC"), a global market intelligence and advisory firm in the information technology and telecommunications industries, headquartered in Framingham, the United States, PRC's packaged software revenue recorded approximately US\$2.11 billion and approximately US\$2.65 billion in 2003 and 2004 respectively. IDC forecasts that PRC's packaged software market revenue

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will reach US\$6.23 billion in 2009 with a compound annual growth rate (“CAGR”) of approximately 18.7% from 2004 to 2009. PRC’s packaged software revenue from 2003 to 2009 projected by IDC is illustrated in Chart 1 below:

Chart 1: IDC projections of PRC’s packaged software revenue from 2003 to 2009



Note:

1. Revenues and growth rates from 2005 to 2009 projected by IDC.

Source: IDC

In light of this, we are of the view that Superdata could benefit from the growth in the PRC’s packaged software market. As such, the Share Alternative would be an option for the Independent Shareholders, if they would like to continue their investment in this industry and in particular, in Superdata, to enjoy the potential future growth of Superdata. Nevertheless, the Cash Alternative also provide an opportunity to the Independent Shareholders to realise their investments in Superdata at a premium to the prevailing market price of Superdata Shares should they wish to exit their investment in this industry and in particular, in Superdata. Please refer to the section headed “E. Price performance of Superdata Shares” in this letter for our detailed analysis on the price performance of Superdata Shares.

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C. Historical financial performance and future growth

The key financials of the Superdata Group for the three financial years ended 31 December 2004 and for the two periods ended 30 June 2004 and 2005 are summarised in Table 1 below:

Table 1: Key financials of the Superdata Group for the three financial years ended 31 December 2004 and for the two periods ended 30 June 2005

	For the financial					For the		Growth rate
	year ended 31 December			Annual growth rate		six months		
	2002	2003	2004	2002/2003	2003/2004	ended 30 June	ended 30 June	
	RMB	RMB	RMB	%	%	RMB	RMB	
	million	million	million			million	million	
Turnover	29.61	39.50	58.73	33.40	48.68	28.31	36.98	30.63
Profit before taxation	11.51	15.60	32.59	35.53	108.91	15.86	21.62	36.32
Profit attributable to the Shareholders	11.51	15.60	32.44	35.53	107.95	15.86	20.50	29.26

Source: Annual reports and interim reports of Superdata

1. Turnover

As illustrated in Table 1 above, the Superdata Group recorded a turnover of approximately RMB29.61 million, approximately RMB39.50 million and approximately RMB58.73 million for the three financial years ended 31 December 2004 respectively with an annual growth rate for each of the financial years ended 31 December 2003 and 2004 of approximately 33.40% and approximately 48.68% respectively. The turnover of the Superdata Group increased from approximately RMB28.31 million for the six-month period ended 30 June 2004 to approximately RMB36.98 million for the corresponding period in 2005, representing a growth of approximately 30.63%. We note that the Superdata Group recorded continued growth in turnover from 2002 and 2004.

In accordance with the 2004 annual report and the 2005 interim report of Superdata, the turnover of the Superdata Group was mainly generated from the development and distribution of packaged management software for SMEs in the PRC. The growth in turnover for the financial year ended 31 December 2004 was mainly attributable to the launch of new products, namely SD1000 series (an easy to use integrated application software serving the most fundamental needs of small and new businesses by providing basic functions on accounting module, logistic module

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as well as customer relationship management modules) and SD5000 series (providing a comprehensive operation platform with strong divisional functions which facilitate sizeable businesses to increase their operation efficiency by strengthening the linkage across different functional groups in a company).

As stated in the 2004 annual report of Superdata, with the growing demand for Internet application software in the PRC, the Superdata Group has committed itself to research and development of a new product series with Internet function as its core theme. For example, in November 2004, the Superdata Group established Superdata Network Technology (Guangzhou) Limited which focuses on the development and sales of packaged software, namely Computer Automatic Design (“CAD”). CAD is a web building software, which provides a quick and easy way for SMEs to build up and maintain their own web portal to promote their business through the Internet which is currently popular in the PRC. The Superdata Group believes CAD will receive good acceptance and recognition from the market and provide continuous growing momentum for the Superdata Group in 2005.

2. *Profit attributable to the Shareholders*

As illustrated in Table 1 above, the profit attributable to the Shareholders amounted to approximately RMB11.51 million, approximately RMB15.60 million and approximately RMB32.44 million respectively for the three financial years ended 31 December 2004 respectively with an annual growth rate for each of the financial years ended 31 December 2003 and 2004 of approximately 35.53% and approximately 107.95% respectively. The profit attributable to the Shareholders increased from approximately RMB15.86 million for the six months ended 30 June 2004 to approximately RMB20.50 million for the corresponding period in 2005, representing a growth of approximately 29.26%. Based on the 2004 annual report of Superdata, the net profit margin surged from approximately 39.5% in 2003 to approximately 55.2% in 2004, which was achieved by the continuous growth in sales coinciding with effective cost control.

Based on our observation of the Superdata Group’s turnover and net profits illustrated in Table 1 above, we are of the view that the Superdata Group’s turnover and net profits have been increasing at a significant growth rate during the three financial years ended 31 December 2004 and the six months ended 30 June 2005.

In light of the above and the industry growth forecasted by IDC, bearing unforeseen circumstances, we are of the view that the outlook of the business of the Superdata Group is positive.

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D. Dividend

Table 2 below shows the dividend-related statistics of Superdata for the three financial years ended 31 December 2004 and for the six months ended 30 June 2005:

Table 2: Dividend-related statistics of Superdata

	Dividend per Share <i>HK\$ cents</i>	Earnings per Share <i>HK\$ cents</i>	Dividend payout ratio <i>%</i>	Average daily closing price of the Shares <i>HK\$</i>	Dividend yield <i>%</i>
For the year ended 31 December					
2002	N/A	3.62	N/A	N/A	N/A
2003	0.71	4.12	17.23	0.42	1.69
2004	6.60	7.63	86.50	0.72	9.17
For the six months ended 30 June					
2005	4.00	4.80	83.33	1.84	2.17

Note:

1. Exchange rate: HK\$1.00 = RMB1.06.

Source: Annual reports and interim report of Superdata

The dividend per Superdata Share has been increasing significantly over the three financial years ended 31 December 2004. Superdata distributed a dividend of HK\$0.71 cents per Superdata Share and HK\$6.6 cents per Superdata Share in the financial years 2003 and 2004 respectively. For the six months ended 30 June 2005, Superdata distributed an interim dividend of HK\$4.00 cents per Superdata Share.

The dividend payout ratio increased from approximately 17.23% in 2003 to approximately 86.50% in 2004. In addition, the dividend yield calculated by using the respective annual average daily closing price of Superdata Shares also demonstrated an increasing trend from approximately 1.69% in 2003 to 9.17% in 2004.

We noted that Superdata's dividend per Share and dividend payout ratio has been increasing during the three financial years ended 31 December 2004. In light of the above, bearing unforeseen circumstances, we are of the view that the outlook of the dividend payout of Superdata is positive.

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E. Price performance of Superdata Shares

Table 3 below sets out the highest and the lowest closing prices and the average daily closing prices of Superdata Shares for each of the months between 1 April 2005 and up to and including 17 October 2005 (the “Last Full Trading Day”):

Table 3: Price performance of Superdata Shares from 1 April 2005 to the Last Full Trading Day

Month	Closing price of the Superdata Shares		Monthly average daily closing price of the Superdata Shares HK\$	Premium/(discount) based on the Cash Alternative to the highest closing price of the Superdata Shares	Premium based on the Cash Alternative to the lowest closing price of the Superdata Shares
	Highest HK\$	Lowest HK\$		%	%
2005					
April	1.95	1.85	1.92	(2.56)	2.54
May	1.90	1.76	1.86	0.00	7.95
June	1.86	1.73	1.83	2.15	9.83
July	1.90	1.73	1.81	0.00	9.83
August	1.80	1.70	1.75	5.56	11.76
September	1.82	1.70	1.77	4.40	11.76
October (Up to the Last Full Trading Day)	1.84	1.82	1.83	3.26	4.40

Source: Bloomberg

As illustrated in Table 3 above, the highest and the lowest closing prices of Superdata Shares during this review period were HK\$1.95 (on trading days from 1 April 2005 to 12 April 2005) and HK\$1.70 (on 8 August 2005 and 9 August 2005 and from 1 September 2005 to 7 September 2005) respectively. The Cash Alternative represents a discount of approximately 2.56% and a premium of approximately 11.76% over the highest and the lowest closing price of Superdata Shares respectively during this review period.

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Further to the above, Table 4 below shows a summary of the premiums represented by the Cash Alternative over various closing prices of Superdata Shares on the dates and review periods listed below:

Table 4: Comparison of the Cash Alternative to the price of Superdata Shares

Trading day	Closing price of the Superdata Shares	Premium based on the Cash Alternative
Latest Practicable Date	1.85	2.70%
Last Full Trading Day	1.82	4.40%

Period	Average closing price of the Superdata Shares	Premium based on the Cash Alternative
5 trading days up to and including the Last Full Trading Day	1.83	3.83%
10 trading days up to and including the Last Full Trading Day	1.83	3.83%
30 trading days up to and including the Last Full Trading Day	1.79	6.15%
60 trading days up to and including the Last Full Trading Day	1.77	7.34%
90 trading days up to and including the Last Full Trading Day	1.90	0.00%
180 trading days up to and including the Last Full Trading Day	1.84	3.26%

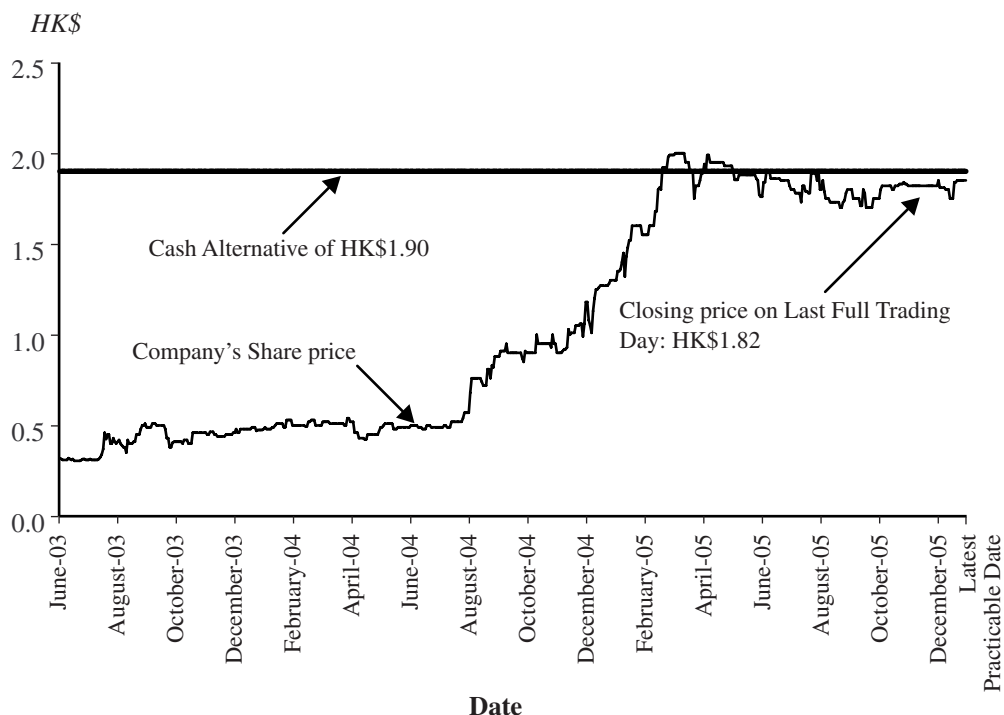
Source: Bloomberg

The Cash Alternative represents a premium of between approximately 7.34% and 0.00% over the lowest and the highest average closing price of Superdata Shares respectively during the various review periods up to and including the Last Full Trading Day as set

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out in Table 4 above. Chart 1 below further illustrates the daily closing prices of Superdata Shares quoted on the Stock Exchange from 6 June 2003 (date of listing of Superdata on GEM) up to the Latest Practicable Date (both dates inclusive):

Chart 2: Historical price performance of Superdata Shares from 6 June 2003 to the Latest Practicable Date



Source: Bloomberg

As illustrated in Chart 2 above, the daily closing prices of Superdata Shares were below the Cash Alternative during the period except a few trading days from February to April 2005. The Cash Alternative represents a discount of approximately 5.00% and a premium of approximately 522.95% over the highest and the lowest closing prices of Superdata Shares respectively during this review period. However, we would like to draw the Independent Shareholders' and Optionholders' attention to the fact that there is no assurance that the price of Superdata Shares will remain at such level if the Offer does not become unconditional in all respects.

Given that the historical prices of Superdata Shares during the recent years have been generally below the Cash Alternative, we consider that the Cash Alternative, when compared to the historical prices of Superdata Shares, is reasonable and is in the interests of the Independent Shareholders as a whole.

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F. Liquidity of Superdata Shares

The following table sets out the daily average trading volume of Superdata Shares for the period from 1 April 2005 and up to and including the Latest Practicable Date:

Table 5: Daily average trading volume of Superdata Shares from 1 April 2005 to the Latest Practicable Date

2005	Daily average trading volume of the Superdata Shares	Daily average trading volume of the Superdata Shares to the total issued Superdata Shares¹ %
April	25,000	0.0062
May	60,000	0.0149
June	15,656	0.0039
July	345,714	0.0858
August	63,750	0.0158
September	337,143	0.0837
October		
From 1 October and up to and including the Last Full Trading Day	103,333	0.0256
After the Last Full Trading Day and up to and including the Latest Practicable Date	124,545	0.0309

Note:

1. Based on a total number of 403,024,010 Superdata Shares in issue.

Source: Bloomberg

As shown in Table 5 above, the daily average trading volume of Superdata Shares during this review period before 10 November 2005 (the “Announcement Date”) was low, with the lowest daily average trading volume representing only approximately 0.0039% of the total issued Superdata Shares for the month of June 2005. The daily average trading volume of Superdata Shares was generally below 0.1% of the total issued Superdata Shares.

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Given the low liquidity of Superdata Shares before the release of the Announcement, the Independent Shareholders would unlikely be able to sell a significant number of their Superdata Shares in the market without depressing the market price of Superdata Shares.

In light of the above, we are of the view that the Offer is in the interests of the Independent Shareholders as a whole as: (i) the Cash Alternative represents an opportunity for the Independent Shareholders to divest their shareholding in Superdata at a price that is at a premium to the market price, even when their shareholdings are in sizable blocks; and (ii) the Share Alternative represents an opportunity for the Independent Shareholders to continue their investment in Superdata as the executive Superdata Directors intend to seek a possible subsequent listing of Profit Eagle Shares in a more liquid and active market. (Shareholders should however note that there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed).

G. Comparable Companies

We note that the Superdata Group is engaged in the development and sales of packaged management software for SMEs in the PRC as its single business. As such, we have selected a list of comparable companies to Superdata (“Comparable Companies”) for our comparison based on the selection criteria that those companies: (i) are listed on the main board of the Stock Exchange or GEM; (ii) have over 50% of their respective total turnover generated from the development and sale of packaged software products; and (iii) have over 50% of their respective total turnover generated from the PRC.

The Comparables Companies are companies identified by us, to our best effort, in our research searching through published information on the Stock Exchange’s website. Therefore, the Independent Shareholders and the Optionholders should note that the information of the Comparables Companies below may not be exhaustive and is for information and reference only.

We have reviewed commonly used valuation ratios of Superdata Shares trading price and those implied by the Cash Alternative, relative to the valuation ratios at which the shares of the Comparable Companies were trading at the Last Full Trading Day. These valuation ratios (the “Valuation Ratios”) include: (i) price-to-earnings ratio (“PER”); (ii) price-to-book ratio (“PBR”); and (iii) price-to-sales ratio (“PSR”).

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Table 6 below shows the Valuation Ratios of the Comparable Companies based on their closing prices on the Last Full Trading Day and their latest published accounts:

Table 6: Valuation Ratios of the Comparable Companies

Company name	Place of Listing	PER <i>times</i>	PBR <i>times</i>	PSR <i>times</i>
Linefan Technology Holdings Limited	GEM	N.A.	0.32	1.66
Excel Technology International Holdings Limited	GEM	N.A.	0.53	0.33
abc Multiactive Limited	GEM	21.00	N.A.	0.59
Kingdee International Software Group Company Limited	Main board	14.61	2.47	1.74
Golding Soft Limited	GEM	N.A.	0.25	0.45
Simple average		17.80	0.89	0.95
Superdata on the Last Full Trading Day		23.43	8.42	12.96
Superdata at the Cash Alternative		24.46	8.79	13.53

Source: Bloomberg and annual reports of the Comparable Companies.

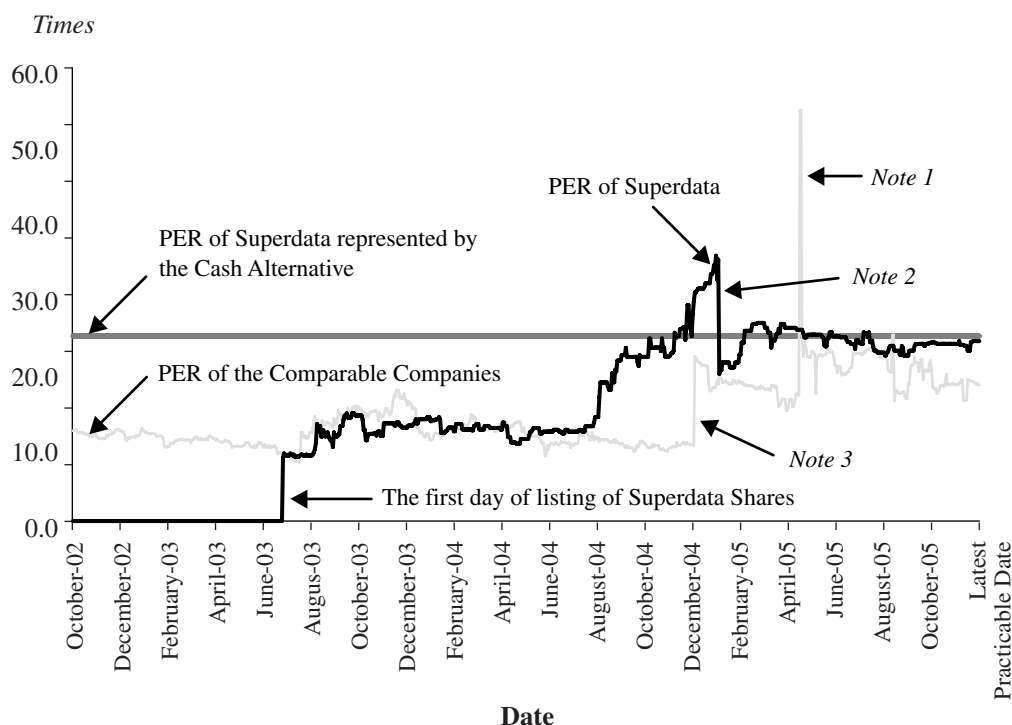
PER

As illustrated in Table 6 above, the PER of approximately 23.43 times of Superdata as at the Last Full Trading Day and approximately 24.46 times represented by the Cash Alternative are significantly above the simple average PER of 17.80 times of the Comparable Companies. We have also reviewed the historical PER of Superdata as

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compared to the simple average PER of the Comparable Companies between the period of 1 October 2002 and the Latest Practicable Date. This is illustrated in Chart 3 below:

Chart 3: Historical PER of Superdata and the simple average historical PER of the Comparable Companies



Notes:

1. On 18 and 19 April 2005, the average PER of the Comparable Companies jumped sharply to 54.35 times from 16.65 times on 17 April 2005. This sharp rise was attributable to a sudden upsurge in the share price of one of the Comparable Companies, abc Multiactive Limited (“Abc”). On 19 April 2005, Abc published an announcement to clarify certain market rumor which led to the increase. The share price of Abc returned to a much lower level after this announcement was published.
2. On 31 December 2004, the PER of Superdata plunged. This was mainly due to the release of full year results of Superdata for the financial year ended 31 December 2004 (2004 net profits: approximately RMB32.44 million; 2003 net profits: approximately RMB15.60 million). The big rise in the net profits for the financial year ended 31 December 2004 in turn led to the drop in the PER of Superdata.
3. On 30 November 2004, the average PER of the Comparable Companies jumped sharply. This was mainly due to the release of full year results of Abc for the financial year ended 30 November 2004 (2004 net profits: approximately HK\$564,000; 2003 net profits: approximately HK\$7,788,000 million). The decrease in the net profits of Abc led to the increase in the average PER of the Comparable Companies.

Source: Bloomberg and annual reports of the Comparable Companies

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As shown in Chart 3 above, the daily PER of Superdata was within the range of approximately 8.38 times and approximately 35.09 times. In this corresponding period, the simple average PER of the Comparable Companies ranged from approximately 7.78 times to approximately 54.35 times. From July 2004 to the Latest Practicable Date, the PER of Superdata was generally above the PER of Comparable Companies.

Except for those two days stated in Note 1 above, generally, the PER of Superdata has exceeded the Comparable Companies' simple average as represented by the Comparable Companies in terms of PER since April 2004.

As illustrated in Chart 3, we also note that the PER represented by the Cash Alternative of approximately 24.46 times was above the PER of Superdata for most of the trading days within this review period.

PBR

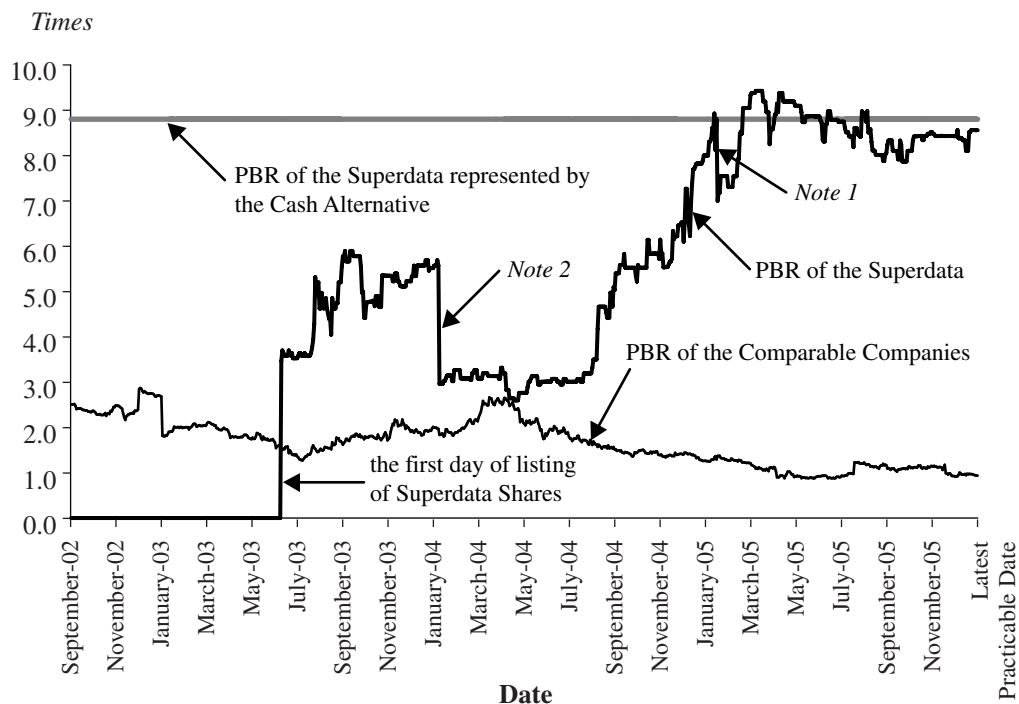
Unlike property-related companies, being in an asset based industry, which may be more appropriately evaluated on a net asset value basis, Superdata is engaged in the software development industry for which we consider PBR may not be the most appropriate valuation tool. Nevertheless, we have still included it to provide a more comprehensive picture for the valuation of Superdata and the Offer and the Option Offer for the Independent Shareholders and the Optionholders as a whole.

As illustrated in Table 6 above, the PBR of approximately 8.42 times for Superdata as at the Last Full Trading Day and approximately 8.79 times represented by the Cash Alternative are significantly above the simple average PBR of approximately 0.89 times for the Comparable Companies as at the Last Full Trading Day.

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In addition, we have reviewed the historical PBR of Superdata as compared to the simple average PBR of the Comparable Companies between the period of 1 October 2002 and the Latest Practicable Date. This is illustrated in Chart 4 below:

Chart 4: Historical PBR of Superdata and the simple average PBR of the Comparable Companies



Notes:

1. On 31 December 2004, the PBR of Superdata plunged. This was mainly due to the release of full year results of Superdata for the financial year ended 31 December 2004 (2004 net assets value: approximately RMB90.82 million; 2003 net assets value: approximately RMB69.26 million). The increase in the net assets value in financial year 2004 in turn led to the drop in the PBR of Superdata.
2. On 31 December 2003, the PBR of Superdata decreased suddenly. This was mainly due to the release of full year results of Superdata for the financial year ended 31 December 2003 (2003 net assets value: approximately RMB69.26 million; 2002 net assets value: approximately RMB27.58 million). The increase in the net assets value in the financial year 2003 led to the drop in the PBR of Superdata.

Source: Bloomberg, annual and/or interim reports of the Comparable Companies

During the review period in Chart 4 above, the daily PBR of Superdata was within the range of approximately 2.59 times and approximately 9.41 times. For this corresponding period, the simple average PBR of the Comparable Companies ranged from approximately 0.87 times to approximately 2.87 times. Chart 4 also shows that the historical PBR of

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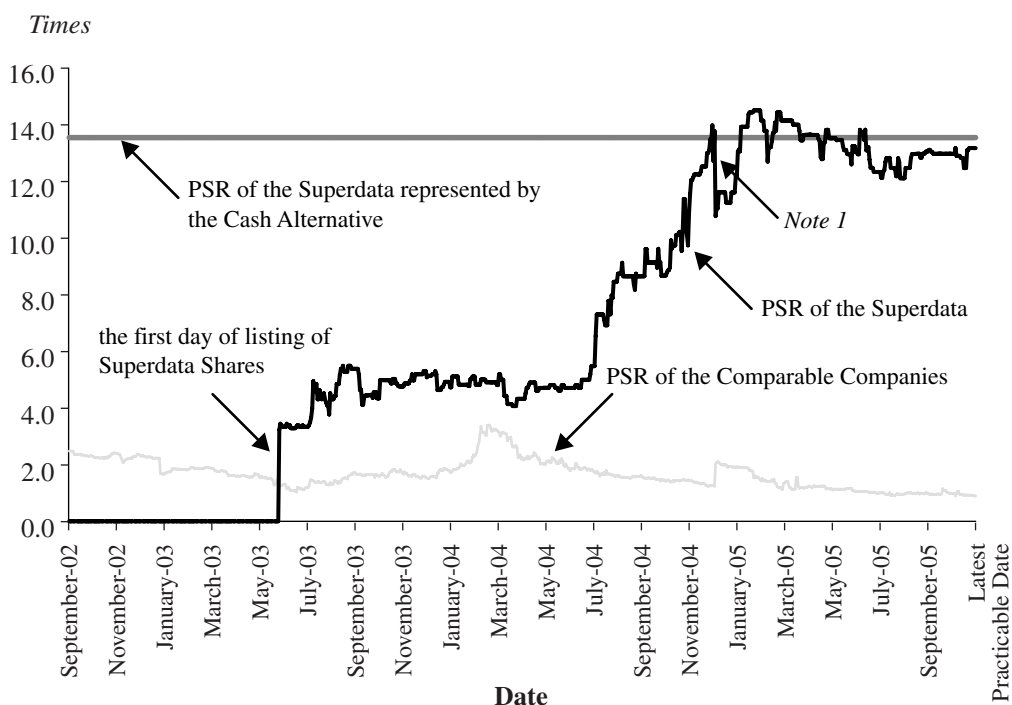
Superdata exceeded the industry simple average as represented by the Comparable Companies in terms of PBR during this period under review. Chart 4 also shows that the PBR represented by the Cash Alternative of approximately 8.79 times was above the value of PBR of Superdata for most of the trading days within this review period.

PSR

As illustrated in Table 6 above, the PSR of approximately 12.96 times of Superdata as at the Last Full Trading Day and approximately 13.53 times represented by the Cash Alternative are significantly above the simple average PSR of approximately 0.95 times of the Comparable Companies.

In addition, we have also reviewed the historical PSR of Superdata Shares and the simple average historical PSR of the Comparable Companies. This is illustrated in Chart 5 below:

Chart 5: Historical PSR of Superdata and the simple average historical PSR of the Comparable Companies



Note:

- On 31 December 2004, the PSR of Superdata declined. This was mainly due to the release of full year results of Superdata for the financial year ended 31 December 2004 (2004 turnover: approximately RMB58.73 million; 2003 turnover: approximately RMB39.50 million). The increase in the turnover in the financial year 2004 in turn led to the drop in the PSR of Superdata.

Source: Bloomberg and annual reports of the Comparable Companies

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As shown in Chart 5, the daily PSR of Superdata was within the range of approximately 3.23 times and approximately 14.49 times. In this corresponding period, the simple average PSR of the Comparable Companies ranged from approximately 0.90 times to approximately 3.39 times. We note that the historical PSR of Superdata exceeded the simple average PSR of the Comparable Companies during the period under review. Chart 5 also shows that the PSR represented by the Cash Alternative of approximately 13.53 times was above the PSR of Superdata in most of the trading days within this review.

In light of the higher Valuation Ratios represented by the Cash Alternative than the average Valuation Ratios of Comparable Companies, we are of the view that the Cash Alternative is fair and reasonable and is in the interests of the Independent Shareholders as a whole.

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H. Liquidity of other stock market

The following table sets out the daily average trading volume of Superdata Shares and companies engaged in the development and sales of packaged software and listed in other major stock markets (the “Liquidity Comparables”) for: (i) 90 trading days; (ii) 180 trading days; and (iii) 360 trading days prior to and including 30 September 2005:

Table 7: Daily average trading volume of Superdata Shares and the Liquidity Comparables

	Place of listing	Daily average trading volume of the shares to the total number of issued shares for the 90 trading days preceding 30 September 2005	Daily average trading volume of the shares to the total number of issued shares for the 180 trading days preceding 30 September 2005	Daily average trading volume of the shares to the total number of issued shares for the 360 trading days preceding 30 September 2005
Data Systems Consulting Co., Ltd	Taiwan	0.76%	0.43%	0.24%
Duzon Digital Ware Co., Ltd	Korea	0.88%	1.57%	1.28%
Fast Technologies Inc.	Taiwan	0.08%	0.11%	0.09%
Incruit Corporation	Korea	4.40%	2.71%	3.26%
Joinn Holdings Limited	Singapore	0.01%	0.09%	0.13%
K3 Business Technology Group plc	United Kingdom	0.14%	0.10%	0.08%
Korea Hinet Co., Ltd	Korea	1.07%	0.99%	0.67%
Proyoung Business Information System Co.,	Taiwan	0.11%	0.10%	0.16%
QAD Inc.	United States	0.14%	0.18%	0.20%
Ufsoft Co., Ltd.	China	0.26%	0.23%	0.28%
Xi’an But’one Information Corporation	China	1.22%	0.96%	0.89%
Average		0.82%	0.68%	0.66%
Superdata	Hong Kong	0.02%	0.01%	0.10%

Source: Bloomberg

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The Liquidity Comparables are companies identified by us, to our best effort, in our research using Bloomberg. Therefore, the Independent Shareholders should note that the information of the companies below may not be exhaustive and is for information and reference only.

As shown in Table 7 above, the daily average trading volume of Superdata Shares during the period under review was significantly lower than the average of the daily average trading volume of the Liquidity Comparables. The daily average trading volume of Superdata Shares was generally below 0.1% of the total issued Superdata Shares while that of the Liquidity Comparables range from approximately 0.66% to approximately 0.82% during the period under review.

Based on the above analysis, we concur with the executive Superdata Directors that the withdrawal of listing of Superdata from GEM and a possible subsequent new listing on an alternative exchange, which provides a more liquid and active market, will better serve Shareholders' interests.

I. Precedent Proposals

In assessing whether the level of the Cash Alternative is fair and reasonable, we have also reviewed and identified a total of 13 transactions with subsequent withdrawals of listings (the "Precedent Proposals") which were announced and successfully completed since 1 January 2003 and up to and including the Last Full Trading Day for companies listed on the main board or GEM of the Stock Exchange. In our analysis, we could not identify any Precedent Proposals of companies, the business nature of which is in line with the Superdata Group. We also note that all the Precedent Proposals involving the acquisition of shares of minority shareholders by the major shareholders, in which the major shareholders would control and own 100% of their respective company subsequent to the successful withdrawal from listing of the shares in the respective company. In light of this, the major shareholders might consider paying a control premium for this.

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However, under the Offer, on successful completion of the Offer, the Founding Shareholders would control approximately 14.99% of the issue share capital of Profit Eagle. Table 7 below summarises the key statistics of the Precedent Proposals:

Table 8: Key statistics of the Precedent Proposals

Company	Principal activities	Offer/ cancellation price <i>HK\$</i>	Date of announcement of the Precedent Proposals	Premium to average			Adjusted consolidated net tangible asset value per share Proposals <i>HK\$</i>	Premium/ Adjusted (discount) of offer price to adjusted consolidated net tangible asset value per share <i>%</i>
				Last Full Trading Day	30 trading days	90 trading days		
Top Glory International Holdings Limited	Property investment and development	0.74	3 May 2003	72.09	74.46	73.66	1.34	(44.78)
Oxford Properties & Finance Limited	Property investment and development	15.00	21 May 2003	59.57	70.84	90.40	11.49	30.55
SIIC Medical Science and Technology (Group) Limited	Manufacturing, sales and distribution	2.15	21 May 2003	14.97	24.28	35.22	1.22	76.23
Pacific Concord Holding Limited	Properties investment	0.65	26 May 2003	51.16	60.89	46.40	1.83	(64.48)
iLink Holdings Limited	Operation of data centres	0.035	20 August 2003	75.00	66.67	52.17	0.038	(7.90)
Chevalier Construction Holdings Limited	Construction services and maintenance	0.25	31 October 2003	16.28	23.76	58.23	0.32	(21.88)
Alpha General (Holdings) Limited	Provision of electrical appliances	0.70	13 October 2004	125.81	133.33	125.81	1.32	(46.97)
The Kwong Sang Hong International Limited	Property trading and leasing	1.25	4 November 2004	5.04	36.17	64.04	1.83	(31.69)

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Company	Principal activities	Offer/ cancellation price <i>HK\$</i>	Date of announcement of the Precedent Proposals	Premium to average			Premium/ Adjusted (discount) of consolidated offer price to adjusted	net tangible asset value per share Proposals <i>HK\$</i>	net tangible asset value per share <i>%</i>
				Last Full Trading Day	30 trading days	90 trading days	consolidated asset value and the Proposals <i>HK\$</i>		
Sinopec Beijing Yanhua Petrochemical Company Limited	Petrochemical business	3.80	29 December 2004	10.95	23.88	28.98	1.82	108.79	
MediaNation Inc.	Advertisement	0.282	24 March 2005	38.9	11.02	5.22	0.245 ¹	15.10	
Lai Fai International Holdings Limited	Retail of jewellery product	0.80	7 April 2005	14.29	5.54	3.36	0.32 ¹	150.00	
Hutchison Global Communications Holdings Limited	Telecommunications services	0.65	3 May 2005	36.84	43.33	44.55	0.034	1,797.81	
Henderson China Holdings Limited	Property investment and development	8.00	19 May 2005	66.67	64.27	68.42	12.51	(36.05)	
Precedent Proposals									
Average				45.20	49.11	53.57			
The Offer				4.40	5.99	0.00	0.22²	772.95	
Maximum				125.81	133.33	125.81		1,797.81	
Minimum				5.04	5.54	3.36		(64.48)	

Notes:

1. Net asset value is applied as consolidated net tangible asset value has not been released for the transaction.
2. Net asset value is applied as no Adjusted net tangible asset value has been prepared.

Source: Bloomberg, announcements and offer documents of the above Precedent Proposals.

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As illustrated in Table 8 above, the premiums as represented by the average offer/cancellation prices offered by the Precedent Proposals to the average closing prices of the shares: (i) on the Last Full Trading Day; (ii) for the 30 trading days; and (iii) 90 trading days prior to and including the Last Full Trading Day of the Precedent Proposals, were approximately 45.20%, 49.11% and 53.57% respectively. The premiums as represented by the Cash Alternative over the price of the Shares for the corresponding periods of comparison were approximately 4.40%, 5.99% and 0.00% respectively, which are lower than the average premiums offered by the Precedent Proposals.

However, as illustrated in Table 8 above, we note that the premium of approximately 772.95% over the consolidated net asset value per Share as at 30 June 2005 of HK\$0.22 as represented by the Cash Alternative is within the range of the premium/discount as represented by the Precedent Proposals from a discount of approximately 64.48% to a premium of approximately 1,797.81%. In addition, we also note that 9 out of the 14 Precedent Proposals were made at a discount to their net tangible asset value while that of the Cash Alternative is at a premium of approximately 772.95%.

In light of the above, in particular, the fact the Offer is not being made by the major shareholders to minority shareholders but instead is being made the Founding Shareholders who will only control approximately 14.99% of the issued share capital of Profit Eagle following completion of the Offer, we are of the view that the Cash Alternative is acceptable.

J. The Option Offer

Under the Option Offer, Superdata Optionholders will be able to choose the Option Cash Alternative or Option Rollover Alternative. The Option Cash Alternative will offer an amount of HK\$1.90 less the exercise price of the relevant Superdata Option for each Superdata Option. The Option Rollover Alternative will offer one Profit Eagle Option for each Superdata Option. In light of this, we are of the view that the mechanism of the Option Offer is reasonable.

We would like to draw Optionholders' attention to the fact that if they do not exercise their Superdata Option within 21 days after the Unconditional Date, their Superdata Option will lapse automatically. However, if Optionholders do not accept the Option Offer within 21 days after the Unconditional Date, they will be deemed to have elected to receive the Option Rollover Alternative in respect of their entire holding of Superdata Options.

As discussed above, based on our analysis in this letter, on balance, that the Cash Alternative is acceptable, we are of the view that the Option Cash Alternative, which represents an opportunity for Optionholders to continue their investments in the business of the Superdata Group or to realise their investments in Superdata, is also acceptable.

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CONCLUSIONS AND RECOMMENDATION

We have considered the above principal factors and reasons in arriving at our opinion on the Offer and the Option Offer. In particular, for (a) Cash Alternative and Option Cash Alternative; and (b) Share Alternative and Option Rollover Alternative, we have taken into account the following factors:

The Cash Alternative and the Option Cash Alternative:

- (i) the historical thin trading volume of Superdata Shares;
- (ii) the Cash Alternative and the Option Cash Alternative providing an opportunity for the Independent Shareholders and the Optionholders to realise their investments in Superdata at a premium to the prevailing market price of Superdata Shares and Superdata Options;
- (iii) the valuation ratios represented by the Cash Alternative being significantly higher than the average valuation ratios of the Comparable Companies; and
- (iv) the premiums as represented by the Cash Alternative over the price of Superdata Shares for the corresponding periods of comparison being lower than the average premiums offered by the Precedent Proposals but nevertheless at a premium to the closing price for the respective evaluation periods.

The Share Alternative and the Option Rollover Alternative:

- (i) the significant historical growth and, in particular, the forecast of significant future growth in the PRC packaged software industry;
- (ii) the improving financial performance of the Superdata Group for the preceding three financial years;
- (iii) the dividends paid out by Superdata growing for the preceding three financial years;
- (iv) the positive outlook on the business of the Superdata Group if the historical growth trend in its financial performance and dividend pay out is sustainable;
- (v) the intention of the executive Superdata Directors for a possible subsequent new listing of the Profit Eagle Shares on an alternative exchange, which provides a more liquid and active market; and
- (vi) the Share Alternative and Option Rollover Alternative providing an opportunity for Independent Shareholders and the Optionholders to continue their investments in the business of the Superdata Group.

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Having considered the above, we consider:

- (a) the Cash Alternative and the Option Cash Alternative, in particular the Cash Alternative, are acceptable so far as the Independent Shareholders and the Optionholders as a whole are concerned; and
- (b) the Share Alternative and the Option Rollover Alternative are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned.

Given the choice between (a) the Cash Alternative/the Option Cash Alternative and (b) the Share Alternative/the Option Rollover Alternative, notwithstanding Morgan Stanley's estimate of the value of the Profit Eagle Shares, in light of the factors considered above, we recommend that Independent Shareholders elect the Share Alternative and the Optionholders accept the Option Rollover Alternative provided such Independent Shareholders/Optionholders:

- (i) have no immediate requirements for liquidity;
- (ii) would like to remain invested in the PRC packaged software industry;
- (iii) have a positive view on Superdata's strategies and prospects;
- (iv) understand and accept the risks pertinent to an investment in the Profit Eagle Shares/the Profit Eagle Options;
- (v) understand and accept that a market for the transfer of the Profit Eagle Shares/the Profit Eagle Options may be limited and the timing and likelihood of an eventual open market for the transfer of the Profit Eagle Shares/the Profit Eagle Options is uncertain;
- (vi) have no better investment alternative for the cash; and
- (vii) are mindful that the monetary value that can be realized from a sale of the Profit Eagle Shares/the Profit Eagle Options in the future may be higher or lower than the Cash Alternative/Option Cash Alternative respectively.

In considering whether to accept: (a) the Cash Alternative/the Option Cash Alternative and (b) the Share Alternative/the Option Rollover Alternative, each Independent Shareholder and Optionholder should consider his/her/its own circumstances and from his/her/its own point of view having regard to all the circumstances (and not only the financial perspective offered in this letter) as well as his/her/its own investment objectives and tax position.

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For the Independent Shareholders and the Optionholders considering to accept the Share Alternative and the Option Rollover Alternative respectively, your attention is drawn in particular to the unlisted status of the Profit Eagle Shares, and the fact that there is no assurance that a subsequent listing of the Profit Eagle Shares will proceed. Although there is no restriction on the transfer of the Profit Eagle Shares, under the Articles of Association of Profit Eagle, the directors will have a discretion to refuse to register a transfer of the Profit Eagle Shares. In addition, there may be a limited market for the transfer of the Profit Eagle Shares.

Yours faithfully,

For and on behalf of

Platinum Securities Company Limited

Liu Chee Ming

Managing Director

Yours faithfully,

For and on behalf of

Platinum Securities Company Limited

Alvin Lai

Director

1. THE OFFER CONDITION

The Offer is conditional upon valid acceptances of the Offer being received on or before 4.00 pm on the First Closing Date (or such other time as Profit Eagle may, with the consent of the Funds, and subject to the Takeovers Code, decide) in respect of 90% of the Disinterested Shares (being 308,365,267 Superdata Shares).

2. FURTHER TERMS OF THE OFFER

2.1 Procedure for acceptance

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Superdata Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) or other document(s) of title to the Receiving Agent.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Superdata Shares are in the name of a nominee company (other than HKSCC Nominees Limited) or any name other than your own, and you wish to accept the Offer, you must either:—
 - lodge your Superdata share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title with the nominee company, or other nominees, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Receiving Agent; or
 - arrange for the Superdata Shares to be registered in your name by Superdata through the Registrar and send the relevant Form of Acceptance duly completed, together with the relevant Superdata share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Receiving Agent.
- (c) If your Superdata Shares have been lodged with your licensed securities dealer/custodian bank through CCASS, you should instruct your licensed securities dealer/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited, in this case, by 11.00 a.m. on Friday, 20 January 2006 which is the latest date on which acceptances of the Offer must be received by the Receiving Agent and request HKSCC Nominees Limited to deliver

the Form of Acceptance duly completed together with the relevant Superdata share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title to the Receiving Agent. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/custodian bank as required by them.

- (d) If your Superdata Shares have been lodged with your Investor Participant Account with CCASS, you should issue your instruction via the CCASS Phone System or CCASS Internet System no later than 11.00 a.m. on Friday, 20 January 2006 which is the latest date on which acceptances of the Offer must be received by the Receiving Agent.
- (e) If you have lodged transfer(s) of Superdata Shares for registration in your name and have not yet received your Superdata share certificate(s) and you wish to accept the Offer, you should nevertheless complete the Form of Acceptance and deliver it to the Receiving Agent, together with the transfer receipts(s) duly signed by yourself. Such action will be deemed to be an authority to Morgan Stanley and Profit Eagle or their respective agent(s) to collect from Superdata or the Registrar, on your behalf, the relevant share certificate(s) when issued and to deliver such certificate(s) to the Receiving Agent and to authorise and instruct the Receiving Agent to hold such certificate(s), subject to the terms of the Offer, as if it was or they were delivered to the Receiving Agent with the Form of Acceptance.
- (f) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Superdata Shares is/are not readily available or are lost and you wish to accept the Offer, the Form of Acceptance should nevertheless be completed and delivered to the Receiving Agent (with a satisfactory indemnity required in respect of the loss of the share certificate, title receipts or other document of title) and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Receiving Agent as soon as possible thereafter. If you have lost your share certificate(s), you should write to the Registrar for a form of letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Receiving Agent.
- (g) Acceptances will be subject to validation before the Offer consideration will be despatched to the persons entitled thereto, provided that the consideration shall be despatched as soon as possible and in any event no later than the tenth calendar day of the later of (i) the day on which the

Offer becomes or is declared unconditional and (ii) the day on which all the relevant documents are received by the Receiving Agent to render acceptance of the Offer complete and valid. If such latest date is not a Business Day, the latest day by which the Offer consideration will be despatched will be extended to the next following Business Day.

- (h) Shareholders who accept the Offer but who do not indicate clearly their choice of either the Share Alternative or the Cash Alternative in respect of the Superdata Shares to which the Form of Acceptance relates, will be deemed to have elected to receive the Cash Alternative in respect of all the Superdata Shares to which such Form of Acceptance relates.
- (i) An acceptance may not be counted towards fulfilling an acceptance condition unless:
 - (i) it is received by the Receiving Agent on or before the latest time for acceptance set out in this Composite Document or any relevant announcement of Profit Eagle and the Receiving Agent has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received; and
 - (ii) the Form of Acceptance is duly completed and executed and is:
 - accompanied by share certificate(s) in respect of the Superdata Shares and, if those certificates are not in the Accepting Shareholder's name, such other documents (e.g. a duly stamped transfer of the relevant share(s) in blank or in favour of the Accepting Shareholder executed by the registered holder) in order to establish the Accepting Shareholder's right to become the registered holder of the relevant Superdata Shares; or
 - from a registered holder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Superdata Shares which are not taken into account under another sub-paragraph of this paragraph (ii)); or
 - certified by the Registrar or the Stock Exchange; or
 - from HKSCC Nominees Limited, if the Superdata Shares are deposited at CCASS on behalf of the Shareholder.

If the Form of Acceptance is executed by a person other than the registered holder, appropriate evidence of authority (e.g. grant of probate or certified copy of a power of attorney) must be produced.

- (j) Subject to the terms of the Takeovers Code, Profit Eagle reserves the right in its absolute discretion to treat as valid any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title. However, such acceptances will not be counted towards fulfilling the acceptance condition unless Rule 30.2 of the Takeovers Code has been fully complied with.
- (k) No acknowledgement of receipt of any Forms of Acceptance, Superdata share certificate(s), transfer receipt(s), other document(s) of title and/or any indemnity or indemnities required in respect thereof will be given.

2.2 Acceptance period, revisions and extensions of the Offer

- (a) The Offer is made on 12 December 2005 and is capable of acceptance from and after this date.
- (b) Unless the Offer has previously been extended or revised, the Offer will close at 4.00 p.m. on the First Closing Date. Profit Eagle reserves the right, subject to the Takeovers Code and with the consent of the Funds, to extend or revise the Offer after the despatch of this Composite Document.
- (c) If the Offer is extended or revised, the announcement of such extension or revision will either state the next closing date or, if the Offer is then unconditional as to acceptances, state the Offer will remain open until further notice, in which case at least 14 days' notice will be given before the Offer is closed to those Shareholders who have not accepted the Offer. If the Offer is extended or revised, it will remain open for acceptance for a period of not less than 14 days and, unless previously extended or revised (or having become or been declared unconditional in all respects), shall be closed on the subsequent closing date. The latest time for acceptances on such closing date will be 4.00 p.m.
- (d) In any case where the Offer is revised, the benefit of any revision of the Offer will be available to all Shareholders who have previously accepted the Offer. The execution of any Form of Acceptance by or on behalf of any Shareholder who has previously accepted the Offer shall be deemed to constitute acceptance of the revised Offer, unless such Shareholder becomes entitled to withdraw his or her acceptance and duly does so.

- (e) Except with the consent of the Executive, the Offer will not be capable of:—
- becoming or being declared unconditional as to acceptances after 7.00 p.m. on the 60th day after the date of posting of this Composite Document; or
 - being kept open after that time, unless the Offer has previously become or been declared unconditional as to acceptances; or
 - remaining open for acceptance after four months from the date of this Composite Document unless by that time Profit Eagle has become entitled to exercise the right of compulsory acquisition under the Companies Law.
- (f) No revision to the Offer shall be made less than 14 days before the last day on which the Offer is able to become unconditional as to acceptances.
- (g) If the closing date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the closing date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

2.3 Announcements

- (a) By 6.00 p.m. on the First Closing Date, and any subsequent closing date (if any), or such later time as the Executive may in exceptional circumstances permit, Profit Eagle will inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offer. Profit Eagle will publish an announcement on the Stock Exchange's website by 7.00 p.m. on the First Closing Date, and any subsequent closing date, if any, stating whether the Offer has been revised or extended, has lapsed or has become or been declared unconditional and such announcement will be republished in accordance with Rule 12.2 of the Takeovers Code on the following business day. The announcement will state the total number of Superdata Shares and rights over Superdata Shares:—
- in respect of which acceptances of the Offer have been received;
 - held, controlled or directed by Profit Eagle or persons acting in concert with it before the offer period; and

- acquired or agreed to be acquired during the offer period by Profit Eagle or any persons acting in concert with it.

The announcement must specify the percentages of the relevant classes of share capital, and the percentages of voting rights, represented by these numbers.

- (b) The announcement will state the number of Superdata Shares representing respective valid acceptances of the Offer and acceptances which are not in all aspects in order or are subject to verification, although such acceptances may not be counted towards fulfilling the Offer Condition.
- (c) As required under the Takeovers Code, all announcements in relation to the Offer in respect of which the Executive and (if applicable) the Stock Exchange have confirmed that they have no further comments, will be in accordance with the GEM Listing Rules.

2.4 Right of withdrawal

- (a) If the Offer has not become or been declared unconditional by Friday, 10 February 2006, being the day falling 21 days from the First Closing Date, an Accepting Shareholder will be entitled to withdraw his acceptance by delivery to the Receiving Agent of a notice of such withdrawal in writing signed by the Accepting Shareholder or his agent duly appointed in writing, together with evidence of appointment of any such agent, but such entitlement to withdraw will be exercisable only until such time as the Offer has become or been declared unconditional. Save as aforesaid, acceptances shall be irrevocable and shall not be capable of being withdrawn.
- (b) If Profit Eagle is unable to comply with the requirements set out in paragraph 2.3 of this Appendix 1, the Executive may require that Accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements set out in that paragraph are satisfied.

2.5 General

- (a) Acceptance of the Offer by any person will be deemed to constitute a warranty by such person or persons to Profit Eagle that the Superdata Shares acquired under the Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and distributions declared, paid or made after the date of the Joint Announcement.

- (b) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to Profit Eagle that the number of Superdata Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Superdata Shares held by such nominee for such beneficial owners who are accepting the Offer.
- (c) Each Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Profit Eagle and Morgan Stanley (so as to bind him, his personal representative, heirs, successors and assigns) that, subject to the Offer becoming or being declared unconditional in all respects (or in such other circumstances as Profit Eagle may request and the Executive may permit), in respect of Superdata Shares in respect of which the Offer has been accepted, or is deemed to have been accepted, which acceptance has not been validly withdrawn, and which have not been registered in the name of Profit Eagle or as it may direct:
- (i) Profit Eagle or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Superdata or any of any class of its shareholders) attaching to any such Superdata Shares;
- (ii) the execution of the Form of Acceptance by a Shareholder shall constitute with regard to such Superdata Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
- (1) an authority to Superdata and/or its agents from such Shareholder to send any notice, circular, warrant or other document or communication which may be required to be sent to him/her as a member of Superdata (including any share certificate(s) and/or other document(s) of title issued as a result of conversion of such Superdata Shares into certificated form) to Profit Eagle at its registered office;
- (2) an irrevocable authority to Profit Eagle or its agents to sign any consent to short notice of a general meeting on his/her behalf and/or to attend and/or to execute a form or proxy in respect of such Superdata Shares appointing any person nominated by Profit Eagle to attend general meetings and separate class meetings of Superdata or its members or any of them (and any adjournments thereof) and to exercise the votes

attaching to such Superdata Shares on his/her behalf, such votes to be cast in a manner to be determined at the sole discretion of Profit Eagle; and

- (3) the agreement of such Shareholder not to exercise any of such rights without the consent of Profit Eagle and the irrevocable undertaking of such Shareholder not to appoint a proxy for or to attend any such general meeting or separate class meeting and, subject as aforesaid, to the extent such Shareholder has previously appointed a proxy, other than Profit Eagle or its nominee or appointee, for or to attend general meetings or separate class meetings, such Shareholder hereby expressly revokes such appointment.
- (d) All communications, notices, forms of acceptance, share certificates, transfer receipts, other documents of title (or indemnities in respect thereof) or remittances of any nature to be delivered by or sent to or from Shareholders shall be delivered by or sent to or from Shareholders, or their designated agents, at their own risk, and none of Profit Eagle, Morgan Stanley, Superdata or the Receiving Agent accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (e) If the Offer lapses, the Form of Acceptance, share certificate(s) or transfer receipt(s) and/or document(s) of title (and any indemnity or indemnities required in respect thereof) will be returned by post as soon as possible but in any event within 10 calendar days of the Offer lapsing, at the risk of the person entitled thereto, to the person or agent whose name and address is set forth in the Form of Acceptance. If no such name is set forth, to the first-named holder at his or her registered address.
- (f) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof and references to the Offer becoming unconditional shall include a reference to the Offer being declared unconditional.
- (g) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (h) The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.

- (i) The Offer and all acceptances of it, the Form of Acceptance, all contracts made in accordance with the Offer, and all actions taken or made or deemed to be taken or made pursuant to the terms of the Offer, will be governed by and construed in all aspects in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of a Shareholder will constitute the submission by such Shareholder in relation to all matters arising out of or in connection with the Offer and Form of Acceptance to the non-exclusive jurisdiction of the courts of Hong Kong.
- (j) Due execution of the Form of Acceptance will constitute an authority to Profit Eagle, any director of Profit Eagle or of Morgan Stanley or their respective agents to complete and execute on behalf of the Shareholders who accept the Offer, the accompanying Form of Acceptance and any other document and to do any other act that may be necessary or expedient for the purpose of vesting in Profit Eagle, or such person or persons as Profit Eagle shall direct, the Superdata Shares which are the subject of such acceptance.
- (k) In relation to any acceptance of the Offer in respect of Superdata Shares which are held through CCASS, Profit Eagle reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance and transfer of the Offer, whether in order to comply with the facilities or requirements of CCASS or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Takeovers Code or are otherwise made with the Executive's consent.
- (l) The settlement of the consideration to which Accepting Shareholders will be entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Profit Eagle may otherwise be, or claim to be, entitled against such Shareholder.
- (m) In making their decision, Shareholders must rely on their own examination of Profit Eagle and Superdata and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendations contained herein, and the Form of Acceptance are not to be construed as legal or business advice. Shareholders could consult with their own lawyer or financial adviser for legal or financial advice. Additionally, this Composite Document does not include any information with respect of U.S. taxation. Shareholders who may be subject to tax in the United States are urged to consult their tax adviser regarding the U.S. Federal, State, local and other tax consequences of owning and disposing of Superdata Shares.

- (n) If the Offer lapses for any reason, it shall cease to be capable of further acceptances and Profit Eagle and Morgan Stanley shall cease to be bound by any of the prior acceptances.
- (o) The Offer is being made by the issue and despatch of this Composite Document on 12 December 2005.
- (p) The Offer is made in accordance with the Takeovers Code.
- (q) The English text of this Composite Document and of the accompanying Form of Acceptance shall prevail over the Chinese text.

2.6 Overseas Shareholders

- (a) The making of the Offer in, or to Shareholders in, any jurisdiction outside Hong Kong may be affected by the laws of the relevant jurisdictions. Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong should inform themselves about, and observe, all applicable legal and regulatory requirements of the relevant jurisdictions. The Offer will extend, to the extent required by law, to those Shareholders not resident in Hong Kong to whom this Composite Document and other related documents may not be despatched or by whom such documents may not be received under the laws and regulations of the relevant jurisdictions. Profit Eagle reserves the right to make arrangements in respect of Shareholders not resident in Hong Kong in relation to the terms of the Offer.
- (b) It is the responsibility of any Overseas Shareholder who wishes to accept the Offer to satisfy himself or herself as to the full observance of all the applicable laws and regulations of any relevant jurisdiction in connection therewith, including obtaining any government or other consent which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in such jurisdiction.
- (c) In the event that a Shareholder elects for the Share Alternative and the allotment and issue of Profit Eagle Shares to such Shareholder is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that the Profit Eagle Directors regard as unduly onerous or burdensome, then such Shareholder will be deemed to have elected for the Cash Alternative instead in respect of his or her Superdata Shares.
- (d) Absent an available exemption, no Shareholder that is resident in the United States or is a U.S. person (as defined in Rule 902 under the Securities Act) will be permitted to elect the Share Alternative, and may only accept the Cash Alternative.

- (e) Each Shareholder who elects to receive the Share Alternative will be required to represent and warrant to Profit Eagle and Morgan Stanley by entering “NO” in the relevant box on the Form of Acceptance that they:
- (i) have not received the Composite Document or the accompanying Form of Acceptance in the United States and have not sent the completed Form of Acceptance from the United States;
 - (ii) were not in the United States when the Form of Acceptance was delivered or at the time of accepting the Offer;
 - (iii) are not a resident of the United States; and
 - (iv) are not an agent or fiduciary acting on a non-discretionary basis for a principal in the United States.
- (f) In the event that a Shareholder elects for the Share Alternative and:
- (i) he does not clearly mark the word “NO” in the relevant box on the Form of Acceptance and thereby does not give the representation and warranty set out in paragraph (e) above; or
 - (ii) he completes the relevant Form of Acceptance with an address in the United States or has a registered address in the United States and, in either case, he does not insert in the relevant Form of Acceptance the name and address of a personal agent outside the United States to whom he wishes the consideration to which he is entitled under the Offer to be sent; or
 - (iii) he inserts in the relevant Form of Acceptance the name and address of a person or agent in the United States to whom he wishes certificate(s) for the Profit Eagle Shares to which he is entitled under the Offer to be sent; or
 - (iv) the relevant Form of Acceptance received from him is or are received in an envelope postmarked in, or which otherwise appears to Profit Eagle or its agents to have been sent from, the United States,

the election for the Share Alternative shall not be valid and the Shareholder will be deemed to have elected to receive the Cash Alternative in respect of his Superdata Shares for which such Form of Acceptance is received, subject to the right of Profit Eagle in its sole discretion to investigate the nature

and residence of the Shareholder further and to allow the election for the Share Alternative to be valid if it is satisfied that an applicable exemption for registration requirements under United States securities laws is available, or the Shareholder does not have any connection with the United States.

- (g) The Offer is being made in the United States by Profit Eagle. Neither Morgan Stanley, nor any of its affiliates, is making the Offer in the United States. References in this Offer Document and the Form of Acceptance, to the Offer being made by Morgan Stanley should be read accordingly.
- (h) Profit Eagle further reserves the right to notify any matter (including, without limitation, the making of the Offer) to Shareholders not resident in Hong Kong by announcement in newspapers which may not be circulated in the jurisdictions of which such Shareholders are resident. The notice being the subject matter of the announcement will be deemed to have been sufficiently given, notwithstanding any failure by such Shareholders to receive or read that announcement.
- (i) Acceptances of the Offer by any Overseas Shareholder will constitute a warranty by such person that such person is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.

1. FINANCIAL SUMMARY

The following is a summary of the audited consolidated profit and loss accounts of the Superdata Group for the three years ended 31 December 2004 and unaudited consolidated profit and loss accounts of the Superdata Group for the nine months ended 30 September 2004 and 2005.

	Unaudited		Audited		
	Nine months ended		Year ended 31 December		
	30 September		2004		
	2005	2004	2004	2003	2002
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	53,539	43,552	58,731	39,502	29,606
Cost of computer software	(1,535)	(1,853)	(2,532)	(1,647)	(2,020)
Value-added tax refund	7,315	5,763	7,725	5,017	3,524
Other revenues	3,293	697	1,173	406	166
Staff costs	(14,064)	(10,851)	(14,904)	(12,533)	(8,472)
Depreciation	(1,127)	(895)	(1,326)	(1,168)	(1,171)
Royalty charges	(1,177)	(1,169)	(1,544)	(974)	—
Advertising and promotional expenses	(3,882)	(4,250)	(6,418)	(4,799)	(3,410)
Other operating expenses	(10,177)	(6,804)	(8,312)	(8,206)	(6,713)
Profit before taxation	32,185	24,190	32,593	15,598	11,510
Taxation	(1,426)	—	(157)	—	—
Profit attributable to shareholders	30,759	24,190	32,436	15,598	11,510
Dividends	17,000	8,000	28,308	3,000	—
Dividends per Superdata Share (RMB cents)	4.20	2.00	7.00	0.75	—
Basic earnings per Superdata Share (RMB cents)	7.63	6.04	8.09	4.37	3.84
Diluted earnings per Superdata Share (RMB cents)	6.99	5.87	7.69	4.25	N/A

There were neither extraordinary nor exceptional items nor minority interests existing during each of the three years ended 31 December 2004.

No qualified opinion has been issued by the Superdata's auditors for each of the three years ended 31 December 2004.

2. FINANCIAL STATEMENTS

- (a) The following is a summary of the audited consolidated financial statements of the Superdata Group for the two years ended 31 December 2004 as extracted from the Superdata Group's 2004 annual report. In this section, reference to page numbers refer to the relevant page number of the Superdata Group's 2004 annual report. Terms used in this section have been modified to conform with the current presentation of the Composite Document.

Consolidated Profit and Loss Account*For the year ended 31 December 2004*

	<i>Note</i>	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Turnover	3	58,731	39,502
Cost of computer software		(2,532)	(1,647)
Value-added tax refund	4	7,725	5,017
Other revenues	3	1,173	406
Staff costs	9	(14,904)	(12,533)
Depreciation		(1,326)	(1,168)
Royalty charges	12	(1,544)	(974)
Advertising and promotional expenses		(6,418)	(4,799)
Other operating expenses		(8,312)	(8,206)
Profit before taxation	4	32,593	15,598
Taxation	5	(157)	—
Profit attributable to shareholders	6	<u>32,436</u>	<u>15,598</u>
Dividends	7	<u>28,308</u>	<u>3,000</u>
Basic earnings per Superdata Share (<i>RMB cents</i>)	8	<u>8.09</u>	<u>4.37</u>
Diluted earnings per Superdata Share (<i>RMB cents</i>)	8	<u>7.69</u>	<u>4.25</u>

Consolidated Balance Sheet*As at 31 December 2004*

	<i>Note</i>	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Non-current assets			
Fixed assets	11	3,323	3,354
Intangible assets	12	1,068	1,742
		<u>4,391</u>	<u>5,096</u>
Current assets			
Inventories	14	1,540	1,360
Trade receivables	15	2,904	978
Prepayments and other receivables		3,543	2,940
Fixed deposits	16	70,543	39,662
Cash and bank balances	16	21,783	26,891
		<u>100,313</u>	<u>71,831</u>
Current liabilities			
Trade payables	17	(1,301)	(496)
Customer deposits		(6,025)	(2,245)
Taxes payable		(157)	—
Other taxes payable		(2,287)	(903)
Accrued charges and other payables		(4,116)	(4,027)
		<u>(13,886)</u>	<u>(7,671)</u>
Net current assets		<u>86,427</u>	<u>64,160</u>
Total assets less current liabilities		<u>90,818</u>	<u>69,256</u>
Financed by:			
Share capital	19	4,286	4,256
Reserves			
Proposed final dividend	7, 21(a)	20,142	3,000
Other	21(a)	66,390	62,000
Shareholders' funds		<u>90,818</u>	<u>69,256</u>

Balance Sheet*As at 31 December 2004*

	<i>Note</i>	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Non-current assets			
Investments in subsidiaries	<i>13</i>	53,540	53,540
Current assets			
Prepayments and other receivables		4	70
Amount due from a subsidiary		834	—
		838	70
Current liabilities			
Accrued charges		(295)	(85)
Net current assets/(liabilities)		543	(15)
Total assets less current liabilities		54,083	53,525
Financed by:			
Share capital	<i>19</i>	4,286	4,256
Reserves			
Proposed final dividend	<i>21(b)</i>	20,142	3,000
Other	<i>21(b)</i>	29,655	46,269
Shareholders' funds		54,083	53,525

Consolidated Statement of Changes in Equity*For the year ended 31 December 2004*

	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Total equity as at 1 January	69,256	27,584
Profit for the year	32,436	15,598
Issue of shares	302	32,345
Share issuance costs	—	(8,356)
Acquisition of a subsidiary through a group reorganisation	—	2,086
Currency translation differences	(10)	(1)
Dividends paid	(11,166)	—
Total equity as at 31 December	<u>90,818</u>	<u>69,256</u>

Consolidated Cash Flow Statement*For the year ended 31 December 2004*

	<i>Note</i>	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Net cash inflow from operating activities	22(a)	<u>37,008</u>	<u>20,285</u>
Investing activities			
Purchase of fixed assets		(1,295)	(1,321)
Increase in fixed deposits		(30,881)	(33,454)
Interest received		<u>934</u>	<u>406</u>
Net cash outflow from investing activities		<u>(31,242)</u>	<u>(34,369)</u>
Net cash inflow/(outflow) before financing		<u>5,766</u>	<u>(14,084)</u>
Financing activities			
Issue of shares excluding share issuance costs	22(b)	302	23,883
Repayment of amount due to a related company	22(b)	—	(8,464)
Dividends paid	22(b)	<u>(11,166)</u>	<u>—</u>
Net cash (outflow)/inflow from financing activities		<u>(10,864)</u>	<u>15,419</u>
(Decrease)/increase in cash and cash equivalents		(5,098)	1,335
Cash and cash equivalents at 1 January		26,891	25,557
Effect of foreign exchange rate changes		<u>(10)</u>	<u>(1)</u>
Cash and cash equivalents at 31 December		<u>21,783</u>	<u>26,891</u>

Notes to the Accounts

1. Business

Superdata was incorporated in the Cayman Islands on 3 July 2002 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised). Superdata's shares have been listed on GEM since 6 June 2003.

Superdata is an investment holding company. The principal activities of its subsidiaries are engaged in the development and sales of packaged software in the PRC.

2. Principal accounting policies

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) *Basis of preparation*

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Superdata Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Superdata Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) *Consolidation*

The consolidated accounts include the accounts of Superdata and its subsidiaries made up to 31 December.

Subsidiaries are those entities in which Superdata, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

All significant inter-company transactions and balances within the Superdata Group are eliminated on consolidation.

In Superdata's balance sheet, investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by Superdata on the basis of dividends received and receivable.

(c) *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Except for leasehold improvements, the costs of other fixed assets are depreciated over 5 years on a straight-line basis, after taking into account of their residual values and their estimated useful lives.

The cost of leasehold improvements is depreciated over the unexpired period of the leases ranging between 1 to 5 years on a straight-line basis.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated profit and loss account.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated profit and loss account.

(d) *Intangible assets*

Intangible assets represent expenditures incurred on acquiring royalty which are capitalised and amortised using the straight-line basis over the estimated useful life of the royalty of 39 months.

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

(e) *Research and development costs*

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

During the year, all development costs were expensed as incurred.

(f) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditures. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(g) *Trade receivables*

Provision is made against trade receivables to the extent that they are considered to be doubtful. Trade receivables in the consolidated balance sheet are stated net of such provision.

(h) *Cash and cash equivalents*

Cash and cash equivalents are carried in the consolidated balance sheet at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, fixed deposits with a maturity of three months or less from the date of deposits.

(i) *Deferred taxation*

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred income taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(j) *Provisions*

Provisions are recognised when the Superdata Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Superdata Group expects a provision is to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(k) *Translation of foreign currencies*

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the consolidated profit and loss account.

The balance sheets of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss accounts are translated at an average rate. Exchange differences are dealt with as a movement in reserves.

(l) *Operating leases*

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the consolidated profit and loss account on a straight-line basis over the lease periods.

(m) ***Retirement benefit costs***

The Superdata Group contributes on a monthly basis to various defined contribution schemes in accordance with the rules and regulations set out by the local government of the PRC and a mandatory provident fund scheme according to the Hong Kong Mandatory Provident Schemes Ordinance. The Superdata Group's contributions to the retirement schemes and provident fund scheme are expensed as incurred. The assets of the schemes are held separately from those of the Superdata Group in independently administered funds.

(n) ***Contingent liabilities and contingent assets***

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Superdata Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Superdata Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(o) ***Revenue recognition***

Sales of packaged software

Revenue from the sales of packaged software is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Royalty income

Royalty income represents the charges to distributors for the right to distribute the Superdata Group's products in certain regions in the PRC. Royalty income is recognised on a straight-line basis over the relevant periods of the royalty agreements.

(p) ***Segment reporting***

The Superdata Group regards the development and sales of packaged software as a single business segment. The Superdata Group also operates within one geographical segment as its revenues are primarily generated in the PRC and its assets are located there. Accordingly, no segmental information is presented.

3. Turnover and revenue

The Superdata Group is principally engaged in the development and sales of packaged software in the PRC excluding Hong Kong. Turnover and revenues recognised during the year are as follows:

	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Turnover (<i>Note</i>)		
Sales of packaged software	58,731	39,502
Other revenues		
Interest income	934	406
Royalty income	239	—
	1,173	406
Total revenues	<u>59,904</u>	<u>39,908</u>

Note: Turnover as disclosed above is net of applicable value-added tax (“VAT”) in the PRC.

4. Profit before taxation

Profit before taxation is stated after crediting and charging the following:

	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Crediting:		
Value-added tax refund (<i>Note (i)</i>)	7,725	5,017
Reversal of provision for doubtful debts	—	129
Charging:		
Loss on disposal of fixed assets	—	18
Auditors' remuneration	543	431
Net exchange loss	9	2
Operating lease rentals	2,476	1,947
Bad debts written off	—	48
Provision for doubtful debts	104	—
Research and development costs (<i>Note (ii)</i>)	3,741	3,070

Notes:

- (i) Value-added tax refund represents tax refund from the local tax bureau in the PRC. According to tax regulations in the PRC, developing and distributing computer software activities are subject to VAT with applicable tax rate of 17%. However, pursuant to Cai Shui [2000] No.25 issued by the State Tax Bureau on 22 September 2000, for the period from 24 June 2000 to 31 December 2010, software enterprises are entitled to a preferential taxation treatment and any actual VAT paid exceeding 3% of revenue will be refunded.

- (ii) Included in research and development costs are staff emoluments, lease rental payments and depreciation totaling RMB3,628,000 (2003: RMB2,841,000), which have been separately included in staff costs, operating lease rentals and depreciation disclosed in other notes to the accounts.

5. Taxation

No provision for Hong Kong profits tax has been made for the year ended 31 December 2004 (2003: Nil) as the Superdata Group had no estimated assessable profit in Hong Kong.

The Superdata Group's subsidiaries in the PRC, Superdata Software Technology (Guangzhou) Limited ("Superdata (Guangzhou)"), Glory Software (Shanghai) Limited ("Glory (Shanghai)"), and Superdata Network Technology (Guangzhou) Limited ("Superdata Network") are foreign investment enterprises and are subject to PRC enterprise income tax ("EIT").

In accordance with the PRC Law of Enterprise Income Tax for Enterprises with Foreign Investment and Foreign Enterprises, Superdata (Guangzhou) is entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing the first profitable year after offsetting all tax losses carried forward from the previous five years. Superdata (Guangzhou) is registered in Guangzhou Economic Technology Development District. 2004 is the second profitable year for Superdata (Guangzhou) after offsetting all accumulated operating losses brought forward. It has been approved by the tax authorities for a preferential EIT rate of 15%.

Pursuant to "The Provisional Regulation on High Technology Enterprises of Beijing", Glory (Shanghai) is now applying for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing 2001. For the year ended 31 December 2004, no PRC profits tax has been provided as Glory (Shanghai) had no assessable profit for the year.

Superdata Network is registered in Guangzhou Economic Technology Development District. It is also applying for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing the first profitable year after offsetting all tax losses carried forward from the previous five years. It has been approved by the tax authorities for a preferential EIT rate of 18%.

The amount of taxation charged to the consolidated profit and loss account represents:

	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation:		
— PRC EIT	157	—
	<u> </u>	<u> </u>
Taxation charges	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The taxation on the Superdata Group's profit before taxation differs from the theoretical amount that would arise using the statutory tax rate of the PRC as follows:

	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Profit before taxation	<u>32,593</u>	<u>15,598</u>
Calculated at a statutory tax rate of 33% (2003: 33%)	10,756	5,147
Effect of tax exemptions and reductions	(11,714)	(5,820)
Expenses not deductible for taxation purposes	36	—
Unrecognised tax losses	<u>1,079</u>	<u>673</u>
Taxation charge	<u><u>157</u></u>	<u><u>—</u></u>

No deferred tax assets or liabilities are recognised as the Superdata Group did not have material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as at 31 December 2004 and 2003.

6. Profit attributable to shareholders

The profit attributable to shareholders is dealt with in the accounts of Superdata to the extent of a profit of RMB11,422,000 (2003: loss of RMB213,000).

7. Dividends

	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Interim, paid, of RMB2 cents (1.9 HK cents) (2003: Nil) per ordinary share	8,166	—
Final, proposed, of RMB5 cents (4.7 HK cents) (2003: RMB0.75 cent (0.71 HK cent)) per ordinary share	<u><u>20,142</u></u>	<u><u>3,000</u></u>

At the meeting held on 21 March 2005, Superdata Directors recommended a final dividend of RMB5 cents (4.7 HK cents) per share for the year ended 31 December 2004. This proposed final dividend is not reflected as a dividend payable in the accounts, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

8. Earnings per Superdata Share

The calculation of basic earnings per share is based on the Superdata Group's profit attributable to shareholders of approximately RMB32,436,000 (2003: approximately RMB15,598,000) and the weighted average number of ordinary shares of approximately 401,010,000 (2003: 357,260,000) in issue during the year.

The calculation of diluted earnings per share is based on the Superdata Group's profit attributable to shareholders of approximately RMB32,436,000 (2003: approximately RMB15,598,000) and the diluted weighted average number of shares in issue during the year of approximately 421,964,000 (2003: 367,092,000). It has been calculated after taking into account all dilutive instruments outstanding at 31 December 2004. The number of the

potential dilutive ordinary shares resulting from the exercise of the outstanding share options is approximately 20,954,000 (2003: 9,832,000) shares which are deemed to have been issued at no consideration and have been exercised on the date the options were granted.

9. Staff costs

Staff costs, including directors' remuneration are as follows:

	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Wages and salaries	13,950	11,642
Social security costs	310	226
Pension and retirement costs — defined contribution schemes	431	465
Others	213	200
	<u>14,904</u>	<u>12,533</u>

10. Emoluments for directors and five highest paid individuals

- (i) The aggregate amounts of emoluments payable to directors of Superdata during the year are as follows:

	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Fees	217	121
Basic salaries and allowances	1,356	1,356
Retirement benefit scheme contributions	10	9
	<u>1,583</u>	<u>1,486</u>

Directors' fees disclosed above include RMB217,000 (2003: RMB121,000) paid to independent non-executive directors.

The three executive directors of Superdata received individual emoluments of approximately RMB468,000, RMB478,000 and RMB420,000, respectively, for the year ended 31 December 2004, and RMB468,000, RMB471,000 and RMB426,000, respectively, for the year ended 31 December 2003.

- (ii) The five individuals whose emoluments were the highest in the Superdata Group are as follows:

	Number of individuals	
	2004	2003
Superdata Directors	3	3
Non-directors	2	2
	<u>5</u>	<u>5</u>

(iii) Details of the emoluments of the non-directors as mentioned above are as follows:

	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Basic salaries and allowances	318	310
Retirement benefit scheme contributions	10	17
	<u>328</u>	<u>327</u>

The emoluments of the non-directors fell within the following band:

	2004	2003
Nil to RMB1,064,000 (equivalent to HK\$1,000,000)	<u>2</u>	<u>2</u>

(iv) During the year, no emoluments were paid by the Superdata Group to any of the above directors or the five highest paid individuals as an inducement to join the Superdata Group, or as compensation for loss of office. None of them had waived any emoluments.

11. Fixed assets

	Superdata Group			
	Leasehold improvements <i>RMB'000</i>	Computer equipment and software <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Total <i>RMB'000</i>
Cost				
At 1 January 2004	1,900	3,491	1,767	7,158
Additions	<u>70</u>	<u>777</u>	<u>448</u>	<u>1,295</u>
At 31 December 2004	----- 1,970	----- 4,268	----- 2,215	----- 8,453
Accumulated depreciation				
At 1 January 2004	(1,362)	(1,867)	(575)	(3,804)
Charge for the year	<u>(212)</u>	<u>(704)</u>	<u>(410)</u>	<u>(1,326)</u>
At 31 December 2004	----- (1,574)	----- (2,571)	----- (985)	----- (5,130)
Net book value				
At 31 December 2004	<u>396</u>	<u>1,697</u>	<u>1,230</u>	<u>3,323</u>
At 31 December 2003	<u>538</u>	<u>1,624</u>	<u>1,192</u>	<u>3,354</u>

12. Intangible assets

	Superdata Group <i>RMB'000</i>
At 1 January 2004	1,742
Amortisation (<i>Note</i>)	<u>(674)</u>
At 31 December 2004	<u><u>1,068</u></u>

	Superdata Group	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Cost	2,192	2,192
Accumulated amortisation	<u>(1,124)</u>	<u>(450)</u>
Net book value	<u><u>1,068</u></u>	<u><u>1,742</u></u>

Note: Royalty charges of the Superdata Group totalling RMB1,544,000 (2003: RMB974,000) for the year ended 31 December 2004 include the amortisation charges of RMB674,000 (2003: RMB450,000) and the cash payments of RMB870,000 (2003: RMB524,000) for the use of a trademark.

13. Investments in subsidiaries

	Company	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted, at cost	33,090	33,090
Amounts due from subsidiaries	<u>20,450</u>	<u>20,450</u>
	<u><u>53,540</u></u>	<u><u>53,540</u></u>

The following is a list of all subsidiaries of Superdata as at 31 December 2004:

Name	Place and date of incorporation/ establishment	Particulars of issued and fully paid up share capital/registered capital	Attributable equity interest %		Principal activities and place of operations
			Direct	Indirect	
Superdata Software (BVI) Limited (“Superdata (BVI)”)	British Virgin Islands, 2 January 2002	2 ordinary shares of US\$1 each	100	—	Investment holding in Hong Kong
Superdata Software (HK) Limited	Hong Kong, 12 December 2001	2 ordinary shares of HK\$1 each	—	100	Investment holding in Hong Kong
Superdata Software Technology (Guangzhou) Limited	The PRC, 1 March 1999	Registered capital US\$4,650,000	—	100	Sales of software in the PRC

Name	Place and date of incorporation/ establishment	Particulars of issued and fully paid up share capital/registered capital	Attributable equity interest %		Principal activities and place of operations
			Direct	Indirect	
Glory Software (Shanghai) Limited	The PRC, 20 November 2002	Registered capital US\$500,000	—	100	Sales of software in the PRC
Superdata Network Technology (Guangzhou) Limited	The PRC, 19 July 2004	Registered capital HK\$10,000,000	—	100	Sales of software in the PRC and provision of network services

The amounts due from subsidiaries are unsecured, interest free and will be repayable subsequent to 31 December 2005.

14. Inventories

	Superdata Group	
	2004	2003
	RMB'000	RMB'000
Raw materials	1,088	996
Finished goods	452	364
	<u>1,540</u>	<u>1,360</u>

15. Trade receivables

The Superdata Group's credit period granted to customers ranges from 30 to 60 days. As at 31 December 2004, the ageing analysis of trade receivables is as follows:

	Superdata Group	
	2004	2003
	RMB'000	RMB'000
Current to 30 days	2,103	763
31 days to 60 days	368	87
61 days to 90 days	146	89
91 days to 180 days	274	47
181 days to 360 days	118	30
Over 361 days	128	91
	<u>3,137</u>	<u>1,107</u>
Less: Provision for doubtful debts	<u>(233)</u>	<u>(129)</u>
	<u>2,904</u>	<u>978</u>

16. Fixed deposits and cash and bank balances

As at 31 December 2004, approximately RMB70,542,000 (2003: RMB38,303,000) of the Superdata Group's fixed deposits and cash and bank balances were denominated in Renminbi and deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

17. Trade payables

The Superdata Group's trade payables are all within 30 days.

18. Pensions and other post-retirement obligations

The Superdata Group's subsidiaries in the PRC participate in defined contribution retirement schemes organised by the Labour and Social Security Bureau for all employees. The subsidiaries' contributions to the schemes are provided at rates ranging from 12% to 22% on the average basic salary as specified by respective provinces where the subsidiaries are located. The Superdata Group's subsidiaries in the PRC have no other retirement benefit obligations beyond such contributions.

The Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong participated by the Superdata Group requires the Superdata Group to contribute 5% of the employee's relevant income, as defined in the Mandatory Provident Fund Schemes Ordinance and up to a maximum of HK\$1,000 per employee per month (the "MPF Contributions"). The employees also contribute a corresponding amount to the MPF Scheme if their relevant income is more than HK\$4,000 per month. The MPF Contributions are fully and immediately vested as accrued benefits to the employees once they are paid. The assets of the MPF Scheme are held separately from those of the Superdata Group in an independently administered fund.

19. Share capital

	<i>Note</i>	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares (HK\$)	Equivalent nominal value of ordinary shares (RMB)
Authorised:				
At 1 January 2003		10,000,000	100,000.00	106,400.00
Increase in authorised share capital	<i>(a)</i>	<u>990,000,000</u>	<u>9,900,000.00</u>	<u>10,533,600.00</u>
At 31 December 2003		<u>1,000,000,000</u>	<u>10,000,000.00</u>	<u>10,640,000.00</u>
At 31 December 2004		<u>1,000,000,000</u>	<u>10,000,000.00</u>	<u>10,640,000.00</u>
Issued:				
At 1 January 2003		100	1	1.06
Shares issued upon acquisition of a subsidiary through a group reorganisation	<i>(a)</i>	9,999,900	99,999.00	106,398.94
Shares issued pursuant to the Placing	<i>(b)</i>	100,000,000	1,000,000.00	1,064,000.00
Shares issued pursuant to Capitalisation Issue	<i>(c)</i>	<u>290,000,000</u>	<u>2,900,000.00</u>	<u>3,085,600.00</u>
At 31 December 2003		<u>400,000,000</u>	<u>4,000,000.00</u>	<u>4,256,000.00</u>
At 1 January 2004		400,000,000	4,000,000.00	4,256,000.00
Shares issued upon exercise of share options	<i>(d)</i>	<u>2,837,043</u>	<u>28,370.43</u>	<u>30,185.72</u>
At 31 December 2004		<u>402,837,043</u>	<u>4,028,370.43</u>	<u>4,286,185.72</u>

Superdata was incorporated in the Cayman Islands on 3 July 2002 with an initial authorised share capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each. In preparation for the listing of Superdata's shares on the GEM, the following changes in issued share capital of Superdata took place during the year ended 31 December 2003:

- (a) On 20 May 2003, Shanghai International, a company wholly owned by a director of Superdata, acquired 100 shares of Superdata from Superdata Technology (Asia) Limited ("Superdata (Asia)"), a related company. On the same day, Superdata acquired the entire issued share capital of Superdata (BVI) from Superdata (Asia) and became the holding company of the Superdata Group by way of issuance and allotment of 9,999,900 shares of Superdata, credited as fully paid, to the shareholders of Superdata (Asia) as directed by Superdata (Asia) on a pro-rata basis, taking into consideration of the 100 shares acquired by Shanghai International.

On 20 May 2003, the authorised share capital of Superdata was increased from HK\$100,000 to HK\$10,000,000 by the creation of an additional 990,000,000 shares of HK\$0.01 each.

- (b) On 6 June 2003, 100,000,000 shares of HK\$0.01 each were issued to the public by way of a placing (the “Placing”) for cash of HK\$0.303 per share, raising a total amount of HK\$30,300,000. The excess over the par value of the shares issued was credited to the share premium account.
- (c) Immediately after the Placing, 290,000,000 shares of HK\$0.01 each were allotted, issued at par and credited as fully paid to the shareholders of Superdata in proportion to their respective shareholdings in Superdata prior to the Placing, by the capitalisation of HK\$2,900,000 from the share premium (the “Capitalisation Issue”) of Superdata.

During the year ended 31 December 2004, the following change in issued share capital took place:

- (d) On 23 August 2004, 2,837,043 shares of HK\$0.01 each were issued to three executive directors for HK\$0.1 per share pursuant to the Superdata Pre-IPO Share Option Scheme as set out in note 20 to the accounts. The excess over the par value of the shares issued was credited to the share premium account.

20. Share options

Superdata has adopted a Pre-IPO Share Option Scheme (the “Superdata Pre-IPO Share Option Scheme”) and a Share Option Scheme (the “Superdata Share Option Scheme”) on 19 May 2003.

The purposes of the Superdata Share Option Schemes are to provide incentives or rewards for the eligible persons of the Superdata Group and to enable the Superdata Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Superdata Group.

Pursuant to the Superdata Pre-IPO Share Option Scheme, Superdata had granted Pre-IPO share options to three executive directors, one senior management staff, one part-time consultant and to a trust established for the benefit of the employees of the Superdata Group who are PRC nationals. The options granted under the Superdata Pre-IPO Share Option Scheme entitle the holders to subscribe for a total of up to 27,271,062 shares at exercise prices ranging from HK\$0.10 to HK\$0.26 each, representing, in aggregate, approximately 6.8% of the existing issued share capital of Superdata. All of the options have a duration of ten years from 6 June 2003 to 5 June 2013. There are restrictions to option holders that 20%, 40%, 60%, 80% and 100% of the options granted under the Superdata Pre-IPO Share Option Scheme are only exercisable by the option holders after the first, second, third, fourth and fifth anniversaries of 6 June 2003, respectively.

Pursuant to the Superdata Share Option Scheme, Superdata had granted share options to three executive directors and certain employees pursuant to the board resolution passed on 22 March 2004. The options granted under the Superdata Share Option Scheme entitle the holders to subscribe for a total of up to 30,000,000 shares at an exercise price of HK\$0.70 each, representing, in aggregate, approximately 7.4% of the existing issued share capital of Superdata. All of the options have a duration of ten years from 22 March 2004 to 21 March 2014 (both days inclusive) subject to the following vesting period:

- (i) up to one-third of the options commencing 1 April 2007;
- (ii) up to two-third of the option (including the options not exercised under the limit prescribed for in the first period) commencing 1 April 2008; and
- (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the first and second periods) commencing 1 April 2009.

Movements in the number of share options outstanding during the year are as follows:

	Number of options	
	2004	2003
At 1 January	26,775,024	—
Granted under the Superdata Pre-IPO Share Option Scheme	—	27,271,062
Granted under the Superdata Share Option Scheme	30,000,000	—
Exercise of options during the year (<i>Note</i>)	(2,837,043)	—
Lapsed	—	(496,038)
At 31 December	<u>53,937,981</u>	<u>26,775,024</u>

Note: Options exercised during the year ended 31 December 2004 resulted in 2,837,043 ordinary shares (2003: Nil) being issued at HK\$0.01 each with a total proceed of approximately HK\$284,000 (equivalent to RMB302,000) (2003: Nil).

Options outstanding at the end of the year have the following terms:

Expiry date	Exercise price	Number of options		Vested percentages	
		2004	2003	2004	2003
Directors (including options held in the capacity as trustees)					
5 June 2013	HK\$0.10	15,167,664	18,004,707	40%	20%
5 June 2013	HK\$0.26	6,137,506	6,137,506	40%	20%
21 March 2014	HK\$0.70	24,000,000	—	—	—
		<u>45,305,170</u>	<u>24,142,213</u>		
Employees					
5 June 2013	HK\$0.10	248,018	248,018	40%	20%
5 June 2013	HK\$0.26	2,384,793	2,384,793	40%	20%
21 March 2014	HK\$0.70	6,000,000	—	—	—
		<u>8,632,811</u>	<u>2,632,811</u>		
		<u>53,937,981</u>	<u>26,775,024</u>		

No share options were cancelled during the year (2003: Nil).

21. Reserves

(a) Superdata Group

	Share premium RMB'000 Note (i)	Merger reserve RMB'000 Note (ii)	Exchange reserve RMB'000	Share issuance costs RMB'000	Statutory reserve fund RMB'000 Note (iii)	Retained earnings RMB'000	Total RMB'000
At 1 January 2003	—	42,599	30	(3,235)	—	(11,810)	27,584
Profit for the year	—	—	—	—	—	15,598	15,598
Acquisition of a subsidiary through a group reorganisation	—	2,086	—	—	—	—	2,086
Shares issued pursuant to the Placing	31,175	—	—	—	—	—	31,175
Shares issued pursuant to Capitalisation Issue	(3,086)	—	—	—	—	—	(3,086)
Share issuance costs	—	—	—	(8,356)	—	—	(8,356)
Set-off of share issuance costs	(11,591)	—	—	11,591	—	—	—
Appropriation to statutory reserve fund	—	—	—	—	625	(625)	—
Currency translation differences	—	—	(1)	—	—	—	(1)
At 31 December 2003	<u>16,498</u>	<u>44,685</u>	<u>29</u>	<u>—</u>	<u>625</u>	<u>3,163</u>	<u>65,000</u>
Representing:							
2003 Final dividend proposed							3,000
Others							<u>62,000</u>
							<u>65,000</u>
At 1 January 2004	16,498	44,685	29	—	625	3,163	65,000
Profit for the year	—	—	—	—	—	32,436	32,436
Share issuance upon exercise of options	272	—	—	—	—	—	272
Appropriation to statutory reserve fund	—	—	—	—	619	(619)	—
Dividends	—	—	—	—	—	(11,166)	(11,166)
Currency translation differences	—	—	(10)	—	—	—	(10)
At 31 December 2004	<u>16,770</u>	<u>44,685</u>	<u>19</u>	<u>—</u>	<u>1,244</u>	<u>23,814</u>	<u>86,532</u>
Representing:							
2004 Final dividend proposed							20,142
Others							<u>66,390</u>
							<u>86,532</u>

Notes:

- (i) Under Companies Law, share premium is distributable to shareholders, subject to the condition that, immediately following the date on which the distribution or dividend is proposed to be made, Superdata shall be able to pay off its debts as they fall due in the ordinary course of business.
- (ii) Merger reserve represents the difference between the nominal value of the ordinary shares issued by Superdata and the aggregate of the share capital and share premium of the subsidiaries acquired by Superdata through exchange of shares.
- (iii) In accordance with the relevant laws and regulations of the PRC, the Superdata Group's subsidiaries established in the PRC are required to appropriate a minimum of 10% of the net profit after taxation reported in the statutory accounts to the statutory reserve, namely the statutory reserve fund until the balance of such fund has reached 50% of its registered capital. The amount of allocation is determined by the board annually. The total amount allocated to statutory reserve fund was approximately RMB619,000 (2003: RMB625,000) for the year ended 31 December 2004. This reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(b) *Superdata*

	Share premium <i>RMB'000</i>	Share issuance costs <i>RMB'000</i>	(Accumulated losses)/ Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2003	—	—	—	—
Loss for the year	—	—	(213)	(213)
Acquisition of a subsidiary through a group reorganisation (<i>Note(i)</i>)	32,984	—	—	32,984
Shares issued pursuant to the Placing	31,175	—	—	31,175
Shares issued pursuant to Capitalisation Issue	(3,086)	—	—	(3,086)
Share issuance costs	—	(11,591)	—	(11,591)
Set-off of share issuance costs	(11,591)	11,591	—	—
At 31 December 2003	<u>49,482</u>	<u>—</u>	<u>(213)</u>	<u>49,269</u>
Representing:				
2003 Final dividend proposed				3,000
Others				<u>46,269</u>
				<u>49,269</u>
At 1 January 2004	49,482	—	(213)	49,269
Profit for the year	—	—	11,422	11,422
Share issuance upon exercise of options	272	—	—	272
Dividends	—	—	(11,166)	(11,166)
At 31 December 2004	<u>49,754</u>	<u>—</u>	<u>43</u>	<u>49,797</u>
Representing:				
2004 Final dividend proposed				20,142
Others				<u>29,655</u>
				<u>49,797</u>

Note (i): Share permission arising from acquisition of a subsidiary through a group reorganisation represents the difference between the net assets value of a subsidiary acquired and the nominal value of the ordinary share issued by Superdata in connection with the acquisition of the subsidiary through a group reorganisation.

22. Notes to the consolidated cash flow statements

(a) Reconciliation of profit before taxation to net cash inflow from operating activities:

	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	32,593	15,598
Depreciation of fixed assets	1,326	1,168
Loss on disposal of fixed assets	—	18
Amortisation of intangible assets	674	450
Provision for/(reversal of provision for) doubtful debts	104	(129)
Interest income	(934)	(406)
(Increase)/decrease in inventories	(180)	199
(Increase)/decrease in trade receivables	(2,030)	220
Increase in prepayments and other receivables	(603)	(170)
Increase in trade payables	805	86
Increase in customer deposits	3,780	937
Increase in other taxes payable	1,384	333
Increase in accrued charges and other payables	89	1,981
	<u>37,008</u>	<u>20,285</u>
Net cash inflow from operating activities	<u>37,008</u>	<u>20,285</u>

(b) Analysis of changes in financing

	Dividend payable	Share capital including premium and share issuance costs	Amount due to a related company	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2003	—	(3,235)	8,464	5,229
Cash inflow/(outflow)	—	23,883	(8,464)	15,419
Share swap in connection with a reorganisation	—	106	—	106
	<u>—</u>	<u>20,754</u>	<u>—</u>	<u>20,754</u>
At 31 December 2003	<u>—</u>	<u>20,754</u>	<u>—</u>	<u>20,754</u>
At 1 January 2004	—	20,754	—	20,754
Cash (outflow)/inflow	(11,166)	302	—	(10,864)
Dividends declared	11,166	—	—	11,166
	<u>—</u>	<u>21,056</u>	<u>—</u>	<u>21,056</u>
At 31 December 2004	<u>—</u>	<u>21,056</u>	<u>—</u>	<u>21,056</u>

23. Commitments under operating leases

The Superdata Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	Superdata Group	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	1,542	1,608
In the second to fifth years inclusive	<u>516</u>	<u>766</u>
	<u><u>2,058</u></u>	<u><u>2,374</u></u>

24. Approval of accounts

The accounts were approved by the board of directors on 21 March 2005.

- (b) The following is a summary of the unaudited consolidated financial statements of the Superdata Group for the six months ended 30 June 2005 as extracted from the Superdata Group's 2005 interim report. Terms used in this section have been modified to conform with the current presentation of the Composite Document.

Condensed Consolidated Profit and Loss Account (Unaudited)

Six months ended 30 June 2005

	Notes	Three months ended 30 June		Six months ended 30 June	
		2005 RMB'000	2004 RMB'000	2005 RMB'000	2004 RMB'000
Turnover	2	22,313	18,268	36,977	28,309
Cost of computer software		(675)	(589)	(1,094)	(1,006)
Value-added tax refund		3,070	2,358	5,166	3,687
Other revenues	2	1,164	240	1,843	425
Staff costs		(5,181)	(3,948)	(9,473)	(7,291)
Depreciation		(391)	(300)	(772)	(632)
Royalty charges		(732)	(518)	(1,070)	(764)
Advertising and promotional expenses		(1,926)	(1,041)	(3,219)	(2,488)
Other operating expenses		(4,046)	(2,208)	(6,742)	(4,377)
Profit before taxation	4	13,596	12,262	21,616	15,863
Taxation	5	(945)	—	(1,113)	—
Profit attributable to shareholders		<u>12,651</u>	<u>12,262</u>	<u>20,503</u>	<u>15,863</u>
Basic earnings per Superdata Share (RMB cents)	6	<u>3.14</u>	<u>3.07</u>	<u>5.09</u>	<u>3.97</u>
Diluted earnings per Superdata Share (RMB cents)	6	<u>2.86</u>	<u>2.93</u>	<u>4.64</u>	<u>3.80</u>
Dividends	7	<u>17,000</u>	<u>8,000</u>	<u>17,000</u>	<u>8,000</u>
Dividends per Superdata Share (RMB cents)	7	<u>4.20</u>	<u>2.00</u>	<u>4.20</u>	<u>2.00</u>

There were neither extraordinary nor exceptional items nor minority interests existing during the six months ended 30 June 2005.

Condensed Consolidated Balance Sheet*As at 30 June 2005*

		30 June 2005	31 December 2004
	<i>Notes</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Audited)</i>
Non-current assets			
Fixed assets	8	4,416	3,323
Intangible assets	9	733	1,068
		<u>5,149</u>	<u>4,391</u>
Current assets			
Inventories	10	1,823	1,540
Trade receivables	11	4,535	2,904
Prepayments and other receivables		5,410	3,543
Fixed deposits		71,763	70,543
Cash and bank balances		37,576	21,783
		<u>121,107</u>	<u>100,313</u>
Current liabilities			
Trade payables	12	(1,237)	(1,301)
Customer deposits		(4,690)	(6,025)
Accrued charges and other payables		(5,232)	(4,116)
Tax payable		(945)	(157)
Other taxes payable		(2,782)	(2,287)
Dividends payable		(20,142)	—
		<u>(35,028)</u>	<u>(13,886)</u>
Net current assets		<u>86,079</u>	<u>86,427</u>
Total assets less current liabilities		<u>91,228</u>	<u>90,818</u>
Financed by:			
Share capital	13	4,288	4,286
Reserves		86,940	86,532
Shareholders' funds		<u>91,228</u>	<u>90,818</u>

Condensed Consolidated Cash Flow Statement (Unaudited)*Six months ended 30 June 2005*

	Six months ended 30 June	
	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Net cash inflow from operating activities	18,771	13,601
Net cash outflow from investing activities	(3,010)	(662)
Net cash inflow/(outflow) from financing activities	<u>32</u>	<u>(22,482)</u>
Net increase/(decrease) in cash and cash equivalents	15,793	(9,543)
Cash and cash equivalents, beginning of the period	<u>21,783</u>	<u>26,891</u>
Cash and cash equivalents, end of the period	<u><u>37,576</u></u>	<u><u>17,348</u></u>
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	<u><u>37,576</u></u>	<u><u>17,348</u></u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)*Six months ended 30 June 2005*

	Share capital	Share premium	Merger reserve	Exchange reserve	Statutory reserve fund	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note (i))	(Note (ii))		(Note (iii))		
At 1 January 2005 (<i>Audited</i>)	4,286	16,770	44,685	19	1,244	23,814	90,818
Profit for the six months ended 30 June 2005	—	—	—	—	—	20,503	20,503
Exercise of options	2	30	—	—	—	—	32
Appropriation to statutory reserve fund	—	—	—	—	3,514	(3,514)	—
Currency translation differences	—	—	—	17	—	—	17
Dividends for 2004	—	—	—	—	—	(20,142)	(20,142)
At 30 June 2005 (<i>Unaudited</i>)	<u>4,288</u>	<u>16,800</u>	<u>44,685</u>	<u>36</u>	<u>4,758</u>	<u>20,661</u>	<u>91,228</u>
At 1 January 2004 (<i>Audited</i>)	4,256	16,498	44,685	29	625	3,163	69,256
Profit for the six months ended 30 June 2004	—	—	—	—	—	15,863	15,863
Dividends for 2003	—	—	—	—	—	(3,000)	(3,000)
At 30 June 2004 (<i>Unaudited</i>)	<u>4,256</u>	<u>16,498</u>	<u>44,685</u>	<u>29</u>	<u>625</u>	<u>16,026</u>	<u>82,119</u>

- (i) Under Companies Law, share premium is distributable to shareholders, subject to the condition that, immediately following the date on which the distribution or dividend is proposed to be made, Superdata shall be able to pay off its debts as they fall due in the ordinary course of business.
- (ii) Merger reserve represents the difference between the nominal value of the ordinary shares issued by Superdata and the aggregate of the share capital and share premium of the subsidiaries acquired by Superdata through exchange of shares.
- (iii) In accordance with the relevant laws and regulations of the PRC, the Superdata Group's subsidiaries established in the PRC are required to appropriate a minimum of 10% of the net profit after taxation reported in the statutory accounts to the statutory reserve, namely the statutory reserve fund until the balance of such fund has reached 50% of its registered capital. The amount of allocation is determined by the board of the subsidiaries annually. This reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

Notes to The Condensed Interim Accounts

1. Basis of preparation and accounting policies

- (a) Superdata was incorporated in the Cayman Islands on 3 July 2002 as an exempted company with limited liability under Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised).
- (b) The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The principal accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2004 except that the Superdata Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively, the “new HKFRS”) which are effective for accounting periods commencing on or after 1 January 2005.

The adoption of HKFRS 2 has resulted in a change in accounting policy for employee share options. Prior to this, the provision of share options to employees did not result in a charge to the income statement. Following the adoption of HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods to the income statement. HKFRS 2 has been applied retrospectively for all equity instruments granted to employees and directors after 15 April 2002 and not vested at 1 January 2005.

The adoption of the HKFRS 2 has no material effect on the results for current nor prior accounting periods. Accordingly, no prior year adjustment is required.

2. Turnover and revenue

The Superdata Group is principally engaged in the development and sales of packaged software in the People's Republic of China (the "PRC") excluding Hong Kong. Turnover and revenues recognised during the period are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2005	2004	2005	2004
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Turnover (<i>Note</i>)				
Sales of packaged software	22,313	18,268	36,977	28,309
Other revenues				
Interest income	349	240	375	425
Royalty income	815	—	1,468	—
	1,164	240	1,843	425
Total revenues	23,477	18,508	38,820	28,734

Note: Turnover as disclosed above is net of applicable value-added tax ("VAT") in the PRC.

3. Segment Information

The Superdata Group regards the development and sales of packaged software as a single business segment. The Superdata Group also operates within one geographical segment as its revenues are primarily generated in the PRC and its assets are located there. Accordingly, no segmental information is presented.

4. Profit before taxation

Profit before taxation is stated after crediting and charging the following:

	Three months ended 30 June		Six months ended 30 June	
	2005	2004	2005	2004
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Crediting:				
Other operating income				
— VAT refund (<i>Note (i)</i>)	3,070	2,358	5,166	3,687
Charging:				
Operating leases rentals	985	402	1,805	916
Bad debts written off	—	13	—	13
Provision for doubtful debts	134	—	134	119
Research and development costs (<i>Note (ii)</i>)	1,156	632	2,611	1,904

Notes:

- (i) Other operating income represents VAT refund from the local tax bureau in the PRC. According to the relevant tax regulations in the PRC, developing and distributing computer software activities are subject to VAT with applicable tax rate of 17%. However, pursuant to Cai Shui [2000] No. 25 issued by the State Tax Bureau on 22 September 2000, for the period from 24 June 2000 to 31 December 2010, software enterprises are entitled to a preferential taxation treatment and any actual VAT paid exceeding 3% of revenue will be refunded.
- (ii) Included in the research and development costs are also staff emoluments, leases rental payment and depreciation, which have been separately included in staff costs, operating lease rentals and depreciation disclosed in other notes to the accounts.

5. Taxation

No provision for Hong Kong profits tax has been made as the Superdata Group has no estimated assessable profit in Hong Kong during the period.

The Superdata Group's subsidiaries in the PRC, Superdata Software Technology (Guangzhou) Limited ("Superdata (Guangzhou)"), Glory Software (Shanghai) Limited ("Glory (Shanghai)"), formerly known as Beijing Superdata Network Co., Ltd., and Superdata Network Technology (Guangzhou) Limited ("Superdata Network") are foreign investment enterprises and are subject to PRC enterprise income tax ("EIT").

In accordance with the PRC Law of Enterprise Income Tax for Enterprises with Foreign Investment and Foreign Enterprises, Superdata (Guangzhou) is entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from the previous five years.

Superdata (Guangzhou) is registered in Guangzhou Economic Technology Development District. 2004 is the second profitable year for Superdata (Guangzhou) after offsetting all accumulated operating losses brought forward. It has been approved by the tax authorities for a preferential EIT rate of 15%.

Pursuant to "The Provisional Regulation on High Technology Enterprises of Beijing", Glory (Shanghai) is now applying for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing 2001. For the period ended 30 June 2005, no PRC profits tax has been provided as Glory (Shanghai) had no assessable profit for the period.

Superdata network is registered in Guangzhou Economic Technology Development District. It has been approved by the tax authorities for a preferential EIT rate of 18% and entitled for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing the first profitable year after offsetting all tax losses carried forward from the previous five years.

The amount of taxation charged to the consolidated profit and loss account represents:

	Three months ended 30 June		Six months ended 30 June	
	2005 <i>RMB'000</i> <i>(Unaudited)</i>	2004 <i>RMB'000</i> <i>(Unaudited)</i>	2005 <i>RMB'000</i> <i>(Unaudited)</i>	2004 <i>RMB'000</i> <i>(Unaudited)</i>
Current taxation:				
— PRC EIT	945	—	1,113	—
Taxation charges	<u>945</u>	<u>—</u>	<u>1,113</u>	<u>—</u>

No deferred tax assets or liabilities are recognised as the Superdata Group did not have material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as at 30 June 2005 and 2004.

6. Earnings per Superdata Share

The calculation of basic earnings per share is based on the Superdata Group's unaudited profits attributable to shareholders for the three months and six months ended 30 June 2005 of approximately RMB12,651,000 and RMB20,503,000 respectively (three months and six months ended 30 June 2004: approximately RMB12,262,000 and RMB15,863,000 respectively) and the weighted average number of approximately 403,024,000 and 403,015,000 ordinary shares for the three months and six months ended 30 June 2005 (three months and six months ended 30 June 2004: approximately 400,000,000 ordinary shares) in issue during the periods.

The calculation of diluted earnings per share for the three months and six months ended 30 June 2005 is based on the Superdata Group's unaudited profit attributable to shareholders of approximately RMB12,651,000 and RMB20,503,000 respectively (three months and six months ended 30 June 2004: approximately RMB12,262,000 and RMB15,863,000 respectively) and the diluted weighted average number of approximately 441,874,000 shares and 441,690,000 shares, respectively in issue during the periods (three months and six months ended 30 June 2004: approximately 418,369,551 and 418,595,804 ordinary shares). They have been calculated after taking into account all dilutive instruments outstanding as at 30 June 2005. The effect of the potential dilutive ordinary shares resulting from the exercise of the outstanding share options on the weighted average number of shares in issue during the three months and six months ended 30 June 2005 are approximately 38,850,000 shares and 38,675,000 shares, respectively (three months and six months ended 30 June 2004: approximately 18,369,551 and 18,595,804 shares respectively) which are deemed to have been issued at no consideration and have been exercised on the date the options were granted.

7. Dividend

	Three months ended 30 June		Six months ended 30 June	
	2005	2004	2005	2004
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interim, proposed, RMB4.2 cents (4.0 HK cents) (2004: RMB2.0 cents (1.9 HK cents))	17,000	8,000	17,000	8,000

Notes:

- (a) At a meeting held on 21 March 2005, Superdata Directors proposed a final dividend of RMB5 cents (4.7 HK cents) per share for the year ended 31 December 2004, which has been reflected as an appropriation of retained earnings for the six months ended 30 June 2005.
- (b) At another meeting held on 12 August 2005, Superdata Directors proposed an interim dividend of RMB4.2 cents (4.0 HK cents) per share for the six months ended 30 June 2005 (2004: RMB0.2 cents (1.9 HK cents) per share) whose names appear on the register of members of Superdata on 1 September 2005. The dividend will be payable on 30 September 2005.

This proposed interim dividend is not reflected as a dividend payable in these condensed consolidated accounts of the Superdata Group, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

8. Fixed assets

	Leasehold improvements <i>RMB'000</i> <i>(Unaudited)</i>	Computer equipment and softwares <i>RMB'000</i> <i>(Unaudited)</i>	Motor vehicles <i>RMB'000</i> <i>(Unaudited)</i>	Total <i>RMB'000</i> <i>(Unaudited)</i>
Cost				
At 1 January 2005 <i>(Audited)</i>	1,970	4,268	2,215	8,453
Additions	302	820	743	1,865
At 30 June 2005 <i>(Unaudited)</i>	2,272	5,088	2,958	10,318
Accumulated depreciation				
At 1 January 2005 <i>(Audited)</i>	(1,574)	(2,571)	(985)	(5,130)
Charge for the period	(152)	(408)	(212)	(772)
At 30 June 2005 <i>(Unaudited)</i>	(1,726)	(2,979)	(1,197)	(5,902)
Net book value				
At 30 June 2005 <i>(Unaudited)</i>	546	2,109	1,761	4,416
At 31 December 2004 <i>(Audited)</i>	396	1,697	1,230	3,323

9. Intangible assets

	Royalty <i>RMB'000</i> <i>(Unaudited)</i>
Six months ended 30 June 2005 <i>(Unaudited)</i>	
At 1 January 2005 <i>(Audited)</i>	1,068
Amortisation <i>(Note)</i>	(335)
At 30 June 2005 <i>(Unaudited)</i>	733
	30 June 2005 <i>RMB'000</i> <i>(Unaudited)</i>
	31 December 2004 <i>RMB'000</i> <i>(Audited)</i>
Cost	2,192
Accumulated amortisation	(1,459)
Net book value	733

Note: Royalty charges of the Superdata Group totaling RMB1,070,000 for the six months period ended 30 June 2005 shown on the face of condensed consolidation profit and loss account included the cash royalty of RMB735,000 payable to Intuit and the amortization charges of RMB335,000 of the Royalty presented above.

10. Inventories

	30 June 2005 <i>RMB'000</i> <i>(Unaudited)</i>	31 December 2004 <i>RMB'000</i> <i>(Audited)</i>
Raw materials	1,144	1,088
Finished goods	679	452
	<u>1,823</u>	<u>1,540</u>

None of the inventories included above are carried at net realizable values as at 30 June 2005 (2004: Nil).

11. Trade receivables

The Superdata Group's credit period granted to customers ranges from 30 to 60 days. As at 30 June 2005, the ageing analysis of trade receivables is as follows:

	30 June 2005 <i>RMB'000</i> <i>(Unaudited)</i>	31 December 2004 <i>RMB'000</i> <i>(Audited)</i>
Current to 30 days	3,429	2,103
31 days to 60 days	493	368
61 days to 90 days	279	146
91 days to 180 days	312	274
181 days to 360 days	169	118
> 360 days	220	128
	<u>4,902</u>	<u>3,137</u>
<i>Less: Provision for doubtful debts</i>	<u>(367)</u>	<u>(233)</u>
	<u>4,535</u>	<u>2,904</u>

12. Trade payables

The trade payable balances were all current with ages below 30 days.

13. Share capital

	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares RMB
Authorised:			
At 30 June 2005 (<i>Unaudited</i>) and 31 December 2004 (<i>Audited</i>)	<u>1,000,000,000</u>	<u>10,000,000.00</u>	<u>10,640,000.00</u>
Issued:			
At 1 January 2005 (<i>Audited</i>)	402,837,043	4,028,370.43	4,286,185.72
Shares issued upon exercise of share options	<u>186,967</u>	<u>1,869.67</u>	<u>1,989.33</u>
At 30 June 2005 (<i>Unaudited</i>)	<u>403,024,010</u>	<u>4,030,240.10</u>	<u>4,288,175.05</u>

14. Commitments

The Superdata Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	30 June 2005 <i>RMB'000</i> (<i>Unaudited</i>)	31 December 2004 <i>RMB'000</i> (<i>Audited</i>)
Within one year	1,032	1,542
In the second to fifth years inclusive	<u>3,236</u>	<u>516</u>
	<u>4,268</u>	<u>2,058</u>

- (c) The following is a summary of the unaudited consolidated financial statements of the Superdata Group for the nine months ended 30 September 2005 as extracted from the Superdata Group's 2005 third quarterly report. Terms used in this section have been modified to conform with the current presentation of the Composite Document.

Condensed Consolidated Profit and Loss Account (Unaudited)

Nine months ended 30 September 2005

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2005 RMB'000 (Unaudited)	2004 RMB'000 (Unaudited)	2005 RMB'000 (Unaudited)	2004 RMB'000 (Unaudited)
Turnover	2	16,562	15,243	53,539	43,552
Cost of computer software		(441)	(848)	(1,535)	(1,853)
Value-added tax refund		2,149	2,076	7,315	5,763
Other revenues	2	1,450	272	3,293	697
Staff costs		(4,591)	(3,559)	(14,064)	(10,851)
Depreciation		(355)	(290)	(1,127)	(895)
Royalty charges		(107)	(405)	(1,177)	(1,169)
Advertising and promotional expenses		(663)	(1,763)	(3,882)	(4,250)
Other operating expenses		(3,435)	(2,421)	(10,177)	(6,804)
Profit before taxation		10,569	8,305	32,185	24,190
Taxation	3	(313)	—	(1,426)	—
Profit attributable to shareholders		<u>10,256</u>	<u>8,305</u>	<u>30,759</u>	<u>24,190</u>
Basic earnings per Superdata Share (RMB cents)	4	<u>2.55</u>	<u>2.07</u>	<u>7.63</u>	<u>6.04</u>
Diluted earnings per Superdata Share (RMB cents)	4	<u>2.33</u>	<u>1.98</u>	<u>6.99</u>	<u>5.87</u>
Dividends		<u>—</u>	<u>—</u>	<u>17,000</u>	<u>8,000</u>
Dividends per Superdata Share (RMB cents)		<u>—</u>	<u>—</u>	<u>4.20</u>	<u>2.00</u>

There were no extraordinary nor exceptional items nor minority interests existing during the nine months ended 30 September 2005.

Notes:

1. Basis of preparation and accounting policies

- (a) Superdata was incorporated in the Cayman Islands on 3 July 2002 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised).
- (b) The principal accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2004 except that the Superdata Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively, the “new HKFRS”) which are effective for accounting periods commencing on or after 1 January 2005.

The adoption of HKFRS 2 has resulted in a change in accounting policy for employee share options. Prior to this, the provision of share options to employees did not result in a charge to the income statement. Following the adoption of HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods to the income statement. HKFRS 2 has been applied retrospectively for all equity instruments granted to employees and directors after 15 April 2002 and not vested at 1 January 2005.

The adoption of the HKFRS 2 has no material effect on the results for current nor prior accounting periods. Accordingly, no prior year adjustment is required.

2. Turnover and revenue

The Superdata Group is principally engaged in the development and sales of packaged software in the People’s Republic of China (the “PRC”) excluding Hong Kong. Turnover and revenue recognised during the period are as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2005	2004	2005	2004
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover (Note)				
Sales of packaged software	16,562	15,243	53,539	43,552
Other revenues				
Interest income	514	272	889	697
Royalty income	936	—	2,404	—
	1,450	272	3,293	697
Total revenues	18,190	15,515	56,832	44,249

Note: Turnover as disclosed above is net of applicable value-added tax (“VAT”) in the PRC.

3. Taxation

No provision for Hong Kong profits tax has been made for the nine months ended 30 September 2005 (2004: Nil) as the Superdata Group has no estimated assessable profit in Hong Kong during the period.

The Superdata Group's subsidiaries in the PRC, Superdata Software Technology (Guangzhou) Limited ("Superdata (Guangzhou)") and Glory Software (Shanghai) Limited ("Glory (Shanghai)"), formerly known as Beijing Superdata Network Co., Ltd., and Superdata Network Technology (Guangzhou) Limited ("Superdata Network") are foreign investment enterprises and are subject to PRC enterprise income tax ("EIT").

In accordance with the PRC Law of Enterprise Income Tax for Enterprises with Foreign Investment and Foreign Enterprises, Superdata (Guangzhou) is entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from the previous five years.

Superdata (Guangzhou) is registered in Guangzhou Economic Technology Development District. 2005 is the third profitable year for Superdata (Guangzhou) after offsetting all accumulated operating losses brought forward. It has been approved by the tax authorities for a preferential EIT rate of 15%.

Pursuant to "The Provisional Regulation on High Technology Enterprises of Beijing", Glory (Shanghai) is now applying for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing 2001. For the period ended 30 September 2005, no PRC profits tax has been provided as Glory (Shanghai) had no assessable profit for the period.

Superdata Network is registered in Guangzhou Economic Technology Development District. It has been approved by the tax authorities for a preferential EIT rate of 18% and entitled for full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing the first profitable year after offsetting all tax losses carried forward from the previous five years.

The amount of taxation charged to the consolidated profit and loss account represents:

	Three months ended 30 September		Nine months ended 30 September	
	2005	2004	2005	2004
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current taxation:				
— PRC EIT	313	—	1,426	—
Taxation charges	<u>313</u>	<u>—</u>	<u>1,426</u>	<u>—</u>

No deferred tax assets or liabilities are recognised as the Superdata Group did not have material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as at 30 September 2005 and 2004.

4. Earnings per Superdata Share

The calculation of basic earnings per share is based on the Superdata Group's unaudited profits attributable to shareholders for the three months and nine months ended 30 September 2005 of approximately RMB10,256,000 and RMB30,759,000 respectively (three months and nine months ended 30 September 2004: approximately RMB8,305,000 and RMB24,190,000 respectively) and the weighted average number of approximately 403,024,000 and 403,018,000 ordinary shares, respectively for the three and nine months ended 30 September 2005 (three months and nine months ended 30 September 2004: approximately 401,402,000 and 400,468,000 ordinary shares) in issue during the periods.

The calculation of diluted earnings per share for the three months and nine months ended 30 September 2005 is based on the Superdata Group's unaudited profit attributable to shareholders of approximately RMB10,256,000 and RMB30,759,000, respectively and the diluted weighted average number of approximately 440,069,000 and 440,362,000 shares in issue during the periods. It has been calculated after taking into account all dilutive instruments outstanding as at 30 September 2005. The effect of the potential dilutive ordinary shares resulting from the exercise of the outstanding share options on the weighted average number of shares in issue during the three months and nine months ended 30 September 2005 are approximately 37,045,000 and 37,334,000 shares which are deemed to have been issued at no consideration and have been exercised on the date the options are granted.

Consolidated Statement of Movements the Equity

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Merger reserve <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Statutory reserve fund <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2005 <i>(Audited)</i>	4,286	16,770	44,685	19	1,244	23,814	90,818
Profit for the nine months ended 30 September 2005	—	—	—	—	—	30,759	30,759
Exercise of options	2	30	—	—	—	—	32
Appropriation to statutory reserve fund	—	—	—	—	3,514	(3,514)	—
Currency translation differences	—	—	—	131	—	—	131
Dividends for 2004	—	—	—	—	—	(20,142)	(20,142)
Dividends for interim 2005	—	—	—	—	—	(17,000)	(17,000)
At 30 September 2005 <i>(Unaudited)</i>	<u>4,288</u>	<u>16,800</u>	<u>44,685</u>	<u>150</u>	<u>4,758</u>	<u>13,917</u>	<u>84,598</u>
At 1 January 2004 <i>(Audited)</i>	4,256	16,498	44,685	29	625	3,163	69,256
Profit for the nine months ended 30 September 2004	—	—	—	—	—	24,190	24,190
Exercise of share options	30	272	—	—	—	—	302
Currency translation differences	—	—	—	(12)	—	—	(12)
Dividends for 2003	—	—	—	—	—	(3,021)	(3,021)
At 30 September 2004 <i>(Unaudited)</i>	<u>4,286</u>	<u>16,770</u>	<u>44,685</u>	<u>17</u>	<u>625</u>	<u>24,332</u>	<u>90,715</u>

- (i) Under the Companies Law, share premium is distributable to shareholders, subject to the condition that, immediately following the date on which the distribution or dividend is proposed to be made, Superdata shall be able to pay off its debts as they fall due in the ordinary course of business.
- (ii) Merger reserve represents the difference between the nominal value of the ordinary shares issued by Superdata and the aggregate of the share capital and share premium of the subsidiaries acquired by Superdata through exchange of shares.

- (iii) In accordance with the relevant laws and regulations of the PRC, the Superdata Group's subsidiaries established in the PRC are required to appropriate a minimum of 10% of the net profit after taxation reported in the statutory accounts to the statutory reserve, namely the statutory reserve fund until the balance of such fund has reached 50% of its registered capital. The amount of allocation is determined by the board annually. This reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

3. INDEBTEDNESS

Apart from intra-group liabilities, the Superdata Group did not, as at the close of business on 31 October 2005, have any outstanding mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase or other finance lease commitments, guarantees or other material contingent liabilities.

As at the Latest Practicable Date, the Superdata Directors were not aware of any material change in respect of the indebtedness or other contingent liabilities of the Superdata Group since 31 October 2005.

4. MATERIAL CHANGE

The Superdata Directors confirm that there is no material change in the financial or trading position or outlook of the Superdata Group since 31 December 2004, the date to which the latest audited consolidated financial statements of the Superdata Group were made up.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purposes of giving information with regard to Profit Eagle and the Offer. Profit Eagle Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that for which Superdata and Platinum Securities respectively accept responsibility) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by Platinum Securities) have been arrived at after due and careful consideration and there are no other facts or information not contained in this Composite Document the omission of which would make any such statement contained in this Composite Document misleading.

2. SHARE CAPITAL

2.1 Share Capital

As at the Latest Practicable Date, the authorised and issued share capital of Profit Eagle were as follows:

Authorised: US\$

500,000,000 ordinary shares of US\$0.01 each 5,000,000

Issued and fully paid:

300 ordinary shares of US\$0.01 each 3

All Profit Eagle Shares rank *pari passu* in all respects as to dividends, voting rights and capital. The Profit Eagle Shares to be issued as consideration under the Offer will rank *pari passu* as to dividends, voting rights and capital with the existing issued Profit Eagle Shares.

However, the Funds will be granted certain rights as substantial shareholders of Profit Eagle which are not available to other shareholders, as set out under the heading “Investor Rights” in the Morgan Stanley Letter.

In particular, the Funds will have tag-along rights to dispose of their Profit Eagle Shares on a pro rata basis in the event that any other Profit Eagle shareholder holding 5% or more of Profit Eagle Shares proposes to dispose of any of its Profit Eagle Shares. Pursuant to these provisions, a transfer of Profit Eagle Shares by such shareholder will only be approved if the prospective buyer also makes an

offer to acquire a proportionate number of Profit Eagle Shares held by the Funds on the same terms as the offer made to the prospective selling shareholder. **There is therefore a risk that a shareholder holding 5% or more of the issued Profit Eagle Shares may be unable to dispose of its Profit Eagle Shares if these conditions are not met.**

The rights granted to the Funds relating to board representation, pre-emption rights, tag-along rights, reserved matters and the proposed new listing (as described under the heading “Investor Rights” in the Morgan Stanley Letter) have been incorporated into Profit Eagle’s Articles of Association. Under the Articles of Association, the undertakings given to the Funds in relation to reserved matters and proposed new listing are given to all shareholders. In addition, shareholders holding 5% or more of Profit Eagle Shares will be required to use all reasonable endeavours as is reasonable to assist Profit Eagle achieving a new listing within the specified timetable.

No part of the issued share capital of Profit Eagle is listed on or dealt with on any stock exchange.

2.2 Option, warrants and conversion rights

As at the Latest Practicable Date, there were no outstanding options, warrants or conversion rights affecting Profit Eagle Shares.

2.3 Reorganisation of Capital

Profit Eagle was incorporated in the Cayman Islands on 13 October 2004 with an authorised share capital of 50,000 shares of US\$1.00 each. On incorporation, one share of US\$1.00 was issued.

On 25 January 2005, two further shares of US\$1.00 each were issued, increasing the issued share capital of Profit Eagle to US\$3.00.

On 28 February 2005, the authorised share capital of Profit Eagle was increased to US\$5,000,000 and the shares subdivided in the ratio of 100 shares of US\$0.01 each for every one existing share of US\$1.00 each.

3. DISCLOSURE OF INTERESTS

3.1 Interests in Superdata Shares

- (a) As at the Latest Practicable Date, Profit Eagle Directors (who are also Profit Eagle's Concert Parties) owned, controlled or were interested in the following Superdata Shares:

Name of Profit Eagle Director/Concert Party	Number of Superdata Shares	Nature of interest
Mr. Cen Anbin	2,154,817	Personal
Shanghai International	24,585,308	Shanghai International is wholly and beneficially owned by Mr. Cen Anbin
Mr. Zou Qixiong	1,134,817	Personal
Heroic Performance	23,724,016	Heroic Performance is wholly and beneficially owned by Mr. Zou Qixiong
Mr. Lin Gang	667,409	Personal
Beijing Visits	8,129,569	Beijing Visits is wholly and beneficially owned by Mr. Lin Gang

- (b) As at the Latest Practicable Date, the names of the persons and the number of Superdata Shares owned or controlled by such persons who have given Irrevocable Undertakings to accept the Offer are as set out in Appendix V.

3.2 Interests in Superdata Options

As at the Latest Practicable Date, Profit Eagle Directors (who are also Profit Eagle's Concert Parties) owned, controlled or were interested in the following Superdata Options:

Name of Profit Eagle Director	Number of Options	Exercise Period	Exercise price per option
<i>Pre-IPO Share Option Scheme</i>			
Mr. Cen Anbin	4,539,271	06.06.2003-05.06.2013	HK\$0.10
Mr. Zou Qixiong	4,539,271	06.06.2003-05.06.2013	HK\$0.10
Mr. Lin Gang	2,269,636	06.06.2003-05.06.2013	HK\$0.10
<i>Share Option Scheme</i>			
Mr. Cen Anbin	10,000,000	22.03.2004-21.03.2014	HK\$0.70
Mr. Zou Qixiong	10,000,000	22.03.2004-21.03.2014	HK\$0.70
Mr. Lin Gang	4,000,000	22.03.2004-21.03.2014	HK\$0.70

3.3 Interests in Profit Eagle Shares

As at the Latest Practicable Date, Profit Eagle Directors (who are also Profit Eagle's Concert Parties) owned, controlled or were interested in the following Profit Eagle Shares:

Name	Number of Shares	Nature of interest
Mr. Cen Anbin	100	Beneficial
Mr. Zou Qixiong	100	Beneficial
Mr. Lin Gang	100	Beneficial

3.4 Dealings in Superdata Shares

The following are the dealings in Superdata Shares conducted by persons who have given Irrevocable Undertakings to accept the Offer during the period beginning six months prior to the date of the Joint Announcement and ending on the Latest Practicable Date:

Name	Date of dealing	Nature of transaction	Number of Superdata Shares	Transaction Price HK\$
Atlantis China Fortune Fund	20.07.2005	Acquisition	2,000,000	1.70
Atlantis China Fortune Fund	16.09.2005	Acquisition	600,000	1.72
GAM Trading (No. 24)	20.07.2005	Acquisition	50,000	1.788
GAM Trading (No. 24)	22.07.2005	Acquisition	150,000	1.808
GAM Trading (No. 24)	16.09.2005	Acquisition	1,400,000	1.72
IDG Technology Venture Investments, LP	03.06.2005	Acquisition	2,074,468	1.88
Wang Fu Xi	08.2005	Sale	1,000,000	1.70
Wang Fu Xi	10.2005	Sale	2,000,000	1.70
Liu Xiang	06.10.2005	Sale	400,000	1.50-1.80
Cheng Cheung Qing	03.06.2005	Sale	2,000,000	1.88

3.5 Save as disclosed in paragraphs 3.1, 3.2, 3.3 and 3.4 above:

- (i) neither Profit Eagle nor any of its Concert Parties owned or controlled;
- (ii) none of the Profit Eagle Directors (including their respective spouses, children under the age of 18, related trusts and companies controlled by any of them) was beneficially interested in; and
- (iii) none of the persons who, prior to the posting of this Composite Document, has irrevocably committed themselves to accept the Offer, owned or controlled,

directly or indirectly, any Superdata Shares or Profit Eagle Shares, convertible securities, warrants, options or derivatives in respect of Superdata Shares or Profit Eagle Shares as at the Latest Practicable Date and no such person has dealt for value in any Superdata Shares or Profit Eagle Shares, convertible securities,

warrants, options or derivatives in respect of Superdata Shares or Profit Eagle Shares during the period beginning six months prior to the date of the Joint Announcement and ending with the Latest Practicable Date.

4. LITIGATION

Profit Eagle is not engaged in any material litigation or arbitration of material importance and no material litigation or claim is known to the Profit Eagle Directors to be pending or threatened against Profit Eagle.

5. MATERIAL CONTRACTS

The following material contracts (not being contracts in the ordinary course of business) have been entered into by Profit Eagle from the date two years preceding the date of the Joint Announcement:—

(a) **Subscription Agreement**

See the section headed “Financing and Subscription Agreement” in the Morgan Stanley Letter

(b) **Investor Rights Agreement**

See the section headed “Investor Rights” in the Morgan Stanley Letter

(c) **Loan Agreement dated 4 November 2005 between the Funds and Profit Eagle**

Pursuant to the Loan Agreement, the Funds have lent to Profit Eagle the sum of HK\$25 million for the purposes of providing funding to Profit Eagle for the Offer and the Option Offer and the costs associated with the Offer and the Option Offer. The loan is repayable 1 month following completion of the compulsory acquisition of any outstanding Superdata Shares.

(d) **Escrow Agreement dated 4 November 2005 between the Funds, Profit Eagle and Morgan Stanley**

Pursuant to the Escrow Agreement, the Funds have deposited the maximum amount payable by them under the Subscription Agreement (HK\$444,352,562), together with the advance under the Loan Agreement (HK\$25,000,000), into an account controlled by Profit Eagle and Morgan Stanley. The Escrow Agreement sets out the arrangements governing withdrawals from that account.

6. INDEBTEDNESS

Other than as described under paragraph 5(c) above, the Profit Eagle Group did not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities as at the Latest Practicable Date.

7. GENERAL

- 7.1 Profit Eagle was incorporated in the Cayman Islands on 13 October 2004. Its registered office is at P O Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. It does not have any office in Hong Kong.
- 7.2 Morgan Stanley has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and the references to its name, in the form and context in which they appear. Morgan Stanley is a registered institution for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO. Morgan Stanley's address is 30th Floor, Three Exchange Square, Central, Hong Kong.
- 7.3 No arrangement has been entered into by Profit Eagle for the transfer charge or pledge to any other person of any Superdata Shares acquired pursuant to the Offer.
- 7.4 No benefit will be given to any Superdata Director as compensation for loss of office or otherwise in connection with the Offer.
- 7.5 Save as disclosed in the Profit Eagle Letter in the paragraph headed "Intentions in relation to Superdata — Business and Management" and in the Morgan Stanley Letter in the paragraph headed "Irrevocable Undertakings", no agreement, arrangement or understanding (including compensation arrangement) exists between Profit Eagle or any person acting in concert with Profit Eagle and any Superdata Directors or recent Superdata Directors, Shareholders or recent Shareholders which has any connection with or dependence upon the Offer.
- 7.6 As at the Latest Practicable Date, there were no persons with whom Profit Eagle or its Concert Parties had any indemnity or option arrangements or any other agreement or understanding, formal or informal, of whatever nature, relating to the Superdata Shares which may be an inducement to deal or refrain from dealing.

- 7.7 Save as disclosed in the Profit Eagle Letter in the paragraph headed “Intentions in relation to Superdata — Business and Management” as it relates to the Profit Eagle Directors in their capacity as Superdata Directors, none of the Profit Eagle Directors will be affected in terms of their emoluments by the acquisition of Superdata or by any other associated transaction.
- 7.8 There are no agreements or arrangements to which Profit Eagle is party which relate to circumstances in which it may or may not invoke or seek to invoke the Offer Condition.
- 7.9 Profit Eagle is a recently incorporated company whose current sole activity is to make the Offer. Full acceptance of the Offer (together with the acquisition of all Superdata Shares owned or controlled by Profit Eagle’s Concert Parties) will result in Profit Eagle holding the entire issued share capital of Superdata. There will be no effect upon Superdata’s assets, liabilities, profits and business by full acceptance of the Offer except to the extent that Profit Eagle utilizes Superdata’s cash reserves, as described in the section headed “Financing and Subscription Agreement” in the Morgan Stanley Letter.
- 7.10 This Composite Document does not include any financial information in relation to Profit Eagle as required by paragraph 12(a) of Schedule 1 to the Takeovers Code. As described above, Profit Eagle is a recently incorporated company whose current sole activity is to make the Offer. Since incorporation, Profit Eagle has not prepared any financial statements and is not required to do so under Cayman Islands law. Profit Eagle has applied to the Executive for a waiver from compliance with paragraph 12(a) of Schedule 1 to the Takeovers Code.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Slaughter and May at 47th Floor, Jardine House, One Connaught Place, Central, Hong Kong between the hours of 9.00 a.m. and 5.00 p.m. on each Business Day for so long as the Offer remains open for acceptance:

- (a) the Memorandum and Articles of Association of Profit Eagle;
- (b) the Morgan Stanley Letter;
- (c) the consent letter from Morgan Stanley referred to in paragraph 7.2 of this Appendix III;
- (d) the estimate of value of Profit Eagle Shares set out in Appendix VI;

- (e) the irrevocable undertakings given by each of the persons set out in Appendix V;
and
- (f) the material contracts referred to in paragraph 5 of this Appendix III.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purposes of giving information with regard to Superdata. All the Superdata Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to Profit Eagle and its intentions, the terms and conditions of the Offer and information for which Platinum Securities accepts responsibility) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by Profit Eagle, Morgan Stanley or Platinum Securities) have been arrived at after due and careful consideration and there are no other facts or information not contained in this Composite Document the omission of which would make any such statement contained in this Composite Document misleading.

Platinum Securities accepts full responsibility for the accuracy of the information in this Composite Document in relation to Platinum Securities (and persons controlling, controlled by or under the same control as Platinum Securities) and confirm, having made all reasonable enquiries, that to the best of its knowledge, opinions expressed in this Composite Document to be made by Platinum Securities have been arrived at after due and careful consideration and there are no other facts relating to Platinum Securities (and persons controlling, controlled by or under the same control as Platinum Securities) not contained in this Composite Document, the omission of which would make any such statement contained in this Composite Document misleading.

2. SHARE CAPITAL OF SUPERDATA**2.1 Authorised and issued share capital**

As at the Latest Practicable Date, the authorised and issued share capital of Superdata were as follows:

<i>Authorised:</i>	<i>HK\$</i>
1,000,000,000 shares of HK\$0.01 each	<u>10,000,000</u>
<i>Issued and fully paid:</i>	
403,024,010 shares of HK\$0.01 each	<u>4,030,240</u>

All Superdata Shares rank pari passu in all respects, including as to dividends, voting rights and capital.

The Superdata Shares are listed and traded on GEM. No part of the issued share capital of Superdata is listed or dealt in any other stock exchange.

Since 31 December 2004, 186,967 Superdata Shares have been issued pursuant to the exercise of Superdata Options.

2.2 Options, warrants and conversion rights

As at the Latest Practicable Date, the following options, warrants and conversion rights affecting Superdata Shares were outstanding:—

Pre-IPO Share Option Scheme

Number of Options	Expiry Date	Exercise price
13,771,128	05.06.2013	HK\$0.10
7,034,188	05.06.2013	HK\$0.26

Share Option Scheme

Number of Options	Expiry Date	Exercise price
29,044,000	21.03.2014	HK\$0.70

Other than as set out above, as at the Latest Practicable Date there are no options, warrants or conversion rights affecting Superdata Shares.

3. DISCLOSURE OF INTERESTS

3.1 Interests in Superdata Shares

As at the Latest Practicable Date, Superdata Directors were interested in the following Superdata Shares:—

Name of Superdata Director	Number of Superdata Shares	Nature of interest
Mr. Cen Anbin	2,154,817	Personal
Shanghai International	24,585,308	Shanghai International is wholly and beneficially owned by Mr. Cen Anbin

Name of Superdata Director	Number of Superdata Shares	Nature of interest
Mr. Zou Qixiong	1,134,817	Personal
Heroic Performance	23,724,016	Heroic Performance is wholly and beneficially owned by Mr. Zou Qixiong
Mr. Lin Gang	667,409	Personal
Beijing Visits	8,129,569	Beijing Visits is wholly and beneficially owned by Mr. Lin Gang

3.2 Interests in Superdata Options

As at the Latest Practicable Date, Superdata Directors were interested in the following Superdata Options:—

Name of Superdata Director	Number of Options	Exercise Period	Exercise price per option
<i>Pre-IPO Share Option Scheme</i>			
Mr. Cen Anbin	4,539,271	06.06.2003-05.06.2013	HK\$0.10
Mr. Zou Qixiong	4,539,271	06.06.2003-05.06.2013	HK\$0.10
Mr. Lin Gang	2,269,636	06.06.2003-05.06.2013	HK\$0.10
Mr. Zhou Quan and Mr. Kwong Kai Sing, Benny (as trustees)	2,174,932	06.06.2003-05.06.2013	HK\$0.10
Mr. Zhou Quan and Mr. Kwong Kai Sing, Benny (as trustees)	4,649,395	06.06.2003-05.06.2013	HK\$0.26
<i>Share Option Scheme</i>			
Mr. Cen Anbin	10,000,000	22.03.2004-21.03.2014	HK\$0.70
Mr. Zou Qixiong	10,000,000	22.03.2004-21.03.2014	HK\$0.70
Mr. Lin Gang	4,000,000	22.03.2004-21.03.2014	HK\$0.70
Mr. Zhou Quan and Mr. Kwong Kai Sing, Benny (as trustees)	4,744,000	22.03.2004-21.03.2014	HK\$0.70

3.3 Interests in Profit Eagle Shares

As at the Latest Practicable Date, Superdata Directors were interested in the following Profit Eagle Shares:—

Name	Number of Shares	Nature of interest
Mr. Cen Anbin	100	Beneficial
Mr. Zou Qixiong	100	Beneficial
Mr. Lin Gang	100	Beneficial

3.4 Save as disclosed in paragraphs 3.1, 3.2 and 3.3 above, Superdata did not own or control and none of the Superdata Directors (including their respective spouses, children under the age of 18, related trusts and companies controlled by any of them) was beneficially interested in directly or indirectly, any Superdata Shares or Profit Eagle Shares, convertible securities, warrants, options or derivatives in respect of Superdata Shares or Profit Eagle Shares as at the Latest Practicable Date and no such person has dealt for value in any Superdata Shares or Profit Eagle Shares, convertible securities, warrants, options or derivatives in respect of Superdata Shares or Profit Eagle Shares during the period beginning six months prior to the date of the Joint Announcement and ending with the Latest Practicable Date.

3.5 As at the Latest Practicable Date, there were no Superdata Shares or Profit Eagle Shares, convertible securities, warrants, options or derivatives in respect of Superdata Shares or Profit Eagle Shares, owned or controlled by a subsidiary of Superdata, by a pension fund of Superdata or of a subsidiary of Superdata, or by an adviser to Superdata as specified in Class (2) of the definition of associate under the Takeovers Code nor has any such person dealt for value in any Superdata Shares or Profit Eagle Shares, convertible securities, warrants, options or derivatives in respect of Superdata Shares or Profit Eagle Shares during the period beginning six months prior to the date of the Joint Announcement and ending with the Latest Practicable Date.

3.6 The Superdata Directors do not intend to accept or reject the Offer in respect of their Superdata Shares as the Offer is not being extended to them. However, as described in the section headed “Founding Shareholders” in the Morgan Stanley Letter, each of the Superdata Directors who holds Superdata Shares has given an irrevocable undertaking to Profit Eagle to transfer the Superdata Shares controlled by him to Profit Eagle subject to the Offer becoming unconditional.

4. MARKET PRICES

4.1 The highest and lowest closing prices of the Superdata Shares on GEM during the period between 10 May 2005, being the date falling six months prior to the date of the Joint Announcement, and the Latest Practicable Date were HK\$1.90 (on each of 26, 27 and 30 May, and 11, 18 July 2005) and HK\$1.70 (on each of 8, 9 August and 1, 2, 5, 6 and 7 September 2005), respectively.

4.2 The table below sets out the closing prices of the Superdata Shares on GEM on the last business day of each of the calendar months during the period commencing 6 months preceding the date of the Joint Announcement and ending on the Latest Practicable Date:—

	Closing price (HK\$)
31 May 2005	1.86
30 June 2005	1.82
29 July 2005	1.73
31 August 2005	1.78
30 September 2005	1.82
31 October 2005	Trading suspended
30 November 2005	1.84

4.3 The closing price of Superdata Shares on GEM on 17 October 2005, being the last full trading day prior to the date of the Joint Announcement, was HK\$1.82. The closing price of Superdata Shares on GEM as at the Latest Practicable Date was HK\$1.85.

5. LITIGATION

No member of the Superdata Group is engaged in any material litigation or arbitration of material importance and no material litigation or claim is known to the Superdata Directors to be pending or threatened against any member of the Superdata Group.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, there are no material contracts (not being contracts in the ordinary course of business) that have been entered into by members of the Superdata Group from the date two years preceding the date of the Joint Announcement.

7. SERVICE CONTRACTS

Each of the executive directors of Superdata, namely Mr. Cen Anbin, Mr. Zou Qixiong and Mr. Lin Gang, has entered into a service contract with Superdata in relation to their respective appointments as executive directors of Superdata. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

- (a) each service contract is for an initial term of three years commencing on 19 May 2003 and will continue thereafter, unless and until terminated by either party by not less than three months' prior written notice, such written notice may only be given on or after the expiry of the initial term of three years;
- (b) the annual salary of each of the executive directors of Superdata during their terms of appointment are set out below which shall be subject to review by the board of Superdata Directors annually in its discretion:

Name of Superdata Directors	Annual salary (RMB)
Mr. Cen Anbin	468,000
Mr. Zou Qixiong	468,000
Mr. Lin Gang	420,000

- (c) each of the executive directors of Superdata is entitled to such management bonus as decided by the board of Superdata Directors, calculated by reference to the operating results of the Superdata Group as a whole and the performance of the executive director of Superdata provided that the aggregate sum payable to all executive directors of Superdata and the senior management of the Superdata Group in respect of any financial year shall not exceed 5% of the consolidated net profits of the Superdata Group after taxation and minority interests but before extraordinary items as shown in the Superdata Group's audited consolidated accounts for the relevant financial year; and
- (d) each such executive director of Superdata will abstain from voting and not be counted in the quorum in respect of any resolution regarding the amount of annual salary, housing and living allowance and management bonus available to himself.

Other than as set out above, none of the Superdata Directors has any existing service contract which:

- (a) (including both continuous and fixed term contracts) have been entered into or amended with 6 months prior to the date of the Joint Announcement;

- (b) are continuous contracts with a notice period of 12 months or more; or
- (c) are fixed terms contracts with more than 12 months to run irrespective of the notice period.

8. GENERAL

- 8.1 Superdata was incorporated in the Cayman Islands under the Companies Laws on 3 July 2002. Its registered office is at Century Yard, Cricket Square, Hutchins Drive, P O Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies and its principal place of business in Hong Kong at Room 2004, 20th Floor, Gloucester Tower, the Landmark, Central, Hong Kong.
- 8.2 Platinum Securities has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and the references to its name, in the form and context in which they appear. Platinum Securities is a licensed corporation for Types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities under the SFO.
- 8.3 As at the Latest Practicable Date, there were no indemnity or option arrangements or any other agreement or understanding, formal or informal, of whatever nature, relating to the Superdata Shares which may be an inducement to deal or refrain from dealing, between Superdata, or any person who is an associate of Superdata by virtue of classes (1), (2), (3) or (4) of the definition of associate under the Takeovers Code, and any other person.
- 8.4 Save as disclosed in the Profit Eagle Letter in the paragraph headed “Intentions in relation to Superdata — Business and Management”, there is no agreement or arrangement between any Superdata Director and any other person which has any connection with or dependence upon the Offer.
- 8.5 Other than the Subscription Agreement to which Messrs. Cen Anbin, Zou Qixiong and Lin Gang are parties, there are no contracts entered into by Profit Eagle in which any Superdata Director has any material personal interest.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the offices of Iu Lai & Li at 20th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong between the hours of 9.00 a.m. and 5.00 p.m. on each Business Day from the date of this Composite Document to the closing date of the Offer:—

- (a) the Memorandum and Articles of Association of Superdata;
- (b) the audited consolidated accounts of the Superdata Group of each of the two financial years ended 31 December 2003 and 2004;
- (c) the third quarterly report of the Superdata Group for the nine months ended 30 September 2005;
- (d) the letter of advice and recommendation from Platinum Securities to Independent Shareholders and Optionholders dated 12 December 2005, the text of which is set out on pages 33 to 66 of this Composite Document;
- (e) the letter from the Independent Board Committee to Independent Shareholders and Optionholders dated 12 December 2005, the text of which is set out on pages 31 to 32 of this Composite Document; and
- (f) the letter of consent from Platinum Securities referred to in paragraph 8.2 of this Appendix IV.

APPENDIX V
IRREVOCABLE UNDERTAKINGS

Name of Shareholder	Number of Superdata Shares	Percentage of Disinterested Shares	Percentage of issued Superdata Shares	Elected for Cash Alternative	Elected for Share Alternative
IDG Technology Venture Investment, Inc	85,988,578	25.10%	21.34%	—	85,988,578
IDG Technology Venture Investments, LP	17,074,468	4.98%	4.24%	—	17,074,468
Heptad Ventures Limited	52,890,750	15.44%	13.12%	—	52,890,750
Investment Fund I-Direct en Co. C.V.	12,991,316	3.79%	3.22%	—	12,991,316
Intuit Inc.	17,304,361	5.05%	4.29%	17,304,361	—
Samsung Life Insurance Company Limited	6,494,753	1.90%	1.61%	6,494,753	—
East Light Investments Pte Limited	26,234,822	7.66%	6.51%	26,234,822	—
South Ocean Management Limited	2,950,000	0.86%	0.73%	2,950,000	—
Atlantis China Fortune Fund	2,600,000	0.76%	0.65%	2,600,000	—
Courante Investment N/V	5,600,000	1.63%	1.39%	—	5,600,000
GAM Trading (No.24)	18,900,000	5.52%	4.69%	18,900,000	—
Zhou Jing	3,700,000	1.08%	0.92%	3,700,000	—
Zhao Ya Qin	12,430,000	3.63%	3.08%	6,000,000	6,430,000
Qiu Xiaomei	7,470,000	2.18%	1.85%	7,470,000	—
Wang Fu Xi	4,150,000	1.21%	1.03%	4,150,000	—
Dai Jian Zhong	8,150,000	2.38%	2.02%	8,150,000	—
Ren Mei	4,650,000	1.36%	1.15%	4,650,000	—
Zhang Bo	9,890,000	2.89%	2.45%	9,890,000	—

Name of Shareholder	Number of Superdata Shares	Percentage of Disinterested Shares	Percentage of issued Superdata Shares	Elected for Cash Alternative	Elected for Share Alternative
Liu Xiang	1,350,000	0.39%	0.33%	1,350,000	—
Cheng Cheung Qing	8,965,532	2.62%	2.22%	4,915,532	4,050,000
Cheng Hau Yee	11,550,000	3.37%	2.87%	5,000,000	6,550,000
Leung Yeut Yung	<u>3,790,000</u>	<u>1.11%</u>	<u>0.94%</u>	<u>1,790,000</u>	<u>2,000,000</u>
Total	<u><u>325,124,580</u></u>	<u><u>94.89%</u></u>	<u><u>80.67%</u></u>	<u><u>131,549,468</u></u>	<u><u>193,575,112</u></u>

The following is the full text of a letter from Morgan Stanley Dean Witter Asia Limited to the Directors of Profit Eagle Limited:

The Directors
Profit Eagle Limited
PO Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

9 December 2005

**VOLUNTARY CONDITIONAL OFFER BY PROFIT EAGLE LIMITED
FOR SUPERDATA SOFTWARE HOLDINGS LIMITED
ESTIMATE OF VALUE OF PROFIT EAGLE SHARES**

Dear Sirs,

Pursuant to the requirements of the Takeovers Code, you have requested us to provide you with an estimate of value of a Profit Eagle Share (“Estimate of Value”). Under the terms of the Offer, Superdata Shareholders may elect to receive (i) one Profit Eagle Share for each Superdata Share or (ii) HK\$1.90 per Superdata Share payable in cash. Profit Eagle’s current sole activity is to make the Offer. The Profit Eagle Shares are unlisted and therefore do not have a publicly traded price.

Capitalised terms used in this letter will, unless otherwise stated, have the same meaning given to them in the composite document dated 12 December 2005 in relation to Profit Eagle’s offer for Superdata (the “Composite Document”).

Purpose

The Estimate of Value has been provided to the Profit Eagle Directors solely for the purposes of paragraph 30 of Schedule I of the Takeovers Code and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to and may not be relied upon by any third party for any purpose whatsoever and Morgan Stanley Dean Witter Asia Limited (“Morgan Stanley”) expressly disclaims any duty or liability to any third party with respect to the contents of this letter.

This letter sets out a determination of an estimate of value of each Profit Eagle Share, assuming such shares had been in issue as at 9 December 2005 (being the latest practicable business day prior to the publication of the Composite Document) and assuming a willing buyer and seller,

neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having knowledge of all relevant facts. We have assumed for this purpose that, as at 9 December 2005, the Offer had become or been declared unconditional in all respects, that Profit Eagle acquired all the Superdata Shares which are the subject of the Offer and that Superdata had become a wholly-owned subsidiary of Profit Eagle, and that the Profit Eagle Shares had been issued.

We have not taken into account any future listing of the Profit Eagle Shares as there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed. The Estimate of Value does not constitute an opinion as to the price at which the Profit Eagle Shares may trade at any point in the future.

The Estimate of Value does not represent the value that a holder of a Profit Eagle Share may realise on any future sale; such a value may be higher or lower than the figure in this letter. Morgan Stanley assumes no obligation to update or revise this Estimate of Value based upon circumstances or events occurring after the date hereof.

Information

In arriving at the Estimate of Value, we have, among other things:

- i. reviewed certain publicly available financial statements and other business and financial information relating to Superdata;
- ii. reviewed certain information provided by senior management of Superdata relating to the operations, financial condition and financial information for the current financial period of Superdata;
- iii. reviewed the Articles of Association of Profit Eagle and the rights and restrictions attached to the Profit Eagle Shares (which are summarized in the Composite Document);
- iv. considered the sources of funding for the Offer, in particular the source of funds for the Cash Alternative and the fact that the Funds have entered into the Subscription Agreement (as summarized in the Composite Document), pursuant to which the Funds will pay to Profit Eagle HK\$2.00 in respect of each Superdata Share for which the Cash Alternative is elected, and that Profit Eagle will pay HK\$1.90 to the relevant Shareholder and shall use the remainder to cover expenses in relation to the Offer;
- v. considered the recent historical share price performance of Superdata; and
- vi. considered such other factors and performed such other analyses as we considered appropriate.

In determining the Estimate of Value, we have not taken into account any financial projections for Superdata for 2006 and beyond.

We have relied on, and assumed, without independent verification, the accuracy and completeness of the information reviewed by us for the purposes of the Estimate of Value. We have not made any independent valuation or appraisal of the assets and liabilities of Superdata, nor have we sought or been provided with any such valuation or appraisal. The Estimate of Value is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at 9 December 2005 (being the latest practicable business day prior to the publication of the Composite Document).

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. Consequently, the view expressed in this letter is not necessarily indicative of: (1) the price at which the Profit Eagle Shares might actually trade in any public market as at 9 December 2005 or at any future date; or (2) the amount which might be realised upon a sale of a Profit Eagle Share to a third party. This Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market conditions, the financial conditions and prospects of Profit Eagle and other factors which generally influence the valuation of companies and securities. As a result, there can be no assurance that the actual price of a Profit Eagle Share will not be higher or lower than the Estimate of Value.

Methodology

Morgan Stanley has used analysis of recent trading performance of Superdata and analysis of the valuation benchmark established by the Subscription Agreement. Specifically, we have made reference to the market prices of Superdata Shares on GEM in paragraph 4.1 of Appendix IV to the Composite Document. In arriving at the Estimate of Value, we have made no attempt to use financial forecasts for Superdata for the financial year 2006 and beyond.

We have produced the Estimate of Value using these methodologies and taken into account the information, factors, assumptions and limitations set out above.

The taxation position of individual shareholders will vary and so we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be significant in the case of some shareholders.

No account has been taken of any potential transaction costs that a holder of Profit Eagle Shares may incur, including any dealing costs and any dealing spread (the difference between a buying and selling price quoted by a market maker) that may be associated with the trading of shares.

Estimate of Value

On the basis of and subject to the foregoing, if a Profit Eagle Share had been in issue as at 9 December 2005 (being the latest practicable business day prior to the publication of the Composite Document), the Estimate of Value as defined in this letter would have been within a range of HK\$1.70 - HK\$1.90. The Estimate of Value does not represent a formal opinion of the value of a Profit Eagle Share or a Superdata Share by Morgan Stanley.

General

Morgan Stanley is acting as financial adviser to Profit Eagle and no one else in connection with the Offer. Morgan Stanley will receive fees for its services either in the form of cash or in the form of Profit Eagle Shares in accordance with the terms of an option granted to Morgan Stanley by Profit Eagle.

Morgan Stanley will not be responsible to anyone other than Profit Eagle for providing the protections afforded to clients of Morgan Stanley, nor for providing advice in connection with the Offer.

Superdata Shareholders who may be considering a continuing investment in the future of Superdata through the Profit Eagle Shares are urged to read carefully all the information contained in the Composite Document and, in particular, the Profit Eagle Letter which states that there can be no certainty as to whether a subsequent listing of the Profit Eagle Shares will proceed. As a result, there may be a limited market for transfers of Profit Eagle Shares. In addition, Superdata Shareholders should also note that although there are no restrictions on the transfer of Profit Eagle Shares, under the Articles of Association of Profit Eagle, the Profit Eagle Directors will have discretion to refuse to register transfers of Profit Eagle. We specifically draw your attention to the risk factors set out on pages 15 and 16 of the Composite Document.

In providing the Estimate of Value, Morgan Stanley expresses no opinion or recommendation to any person as to whether they should accept the Offer or the Option Offer or whether they should make any elections to choose the Cash Alternative, the Share Alternative, the Option Cash Alternative or the Option Rollover Alternative. Superdata Shareholders and Optionholders are recommended to seek their own independent financial advice. Morgan Stanley expresses no opinion as to the fairness of the financial terms of the Offer or the Option Offer.

Yours faithfully,

For and on behalf of

Morgan Stanley Dean Witter Asia Limited

Rohit Sipahimalani

Managing Director