

SUBSTANTIAL SHAREHOLDERS

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So far as is known to the Directors, immediately upon completion of the Capitalisation Issue and the Share Offer and assuming the Over-allotment Option is not exercised, no option is granted under the Share Option Scheme and not taking into account any Shares which will be transferred to JATF from Data Dreamland upon exercise of the Option (which is subject to Rule 10.07(1) of the Listing Rules) by JATF under the Option Agreement, the following persons will be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company and are accordingly considered to be substantial shareholders under the Listing Rules:

Name	Number of Shares	Percentage of shareholding in the Company if the Over-allotment Option is not exercised	Percentage of shareholding in the Company if the Over-allotment Option is fully exercised
Data Dreamland (<i>Note 1 and 3</i>)	227,454,545	56.86	54.18
Barrie Bay (<i>Note 2 and 3</i>)	227,454,545	56.86	54.18
HSBC Trustee (<i>Note 2 and 3</i>)	227,454,545	56.86	54.18

Notes:—

1. The entire issued share capital of Data Dreamland is held by Barrie Bay, which is acting as the trustee of the Barrie Bay Unit Trust. The Barrie Bay Unit Trust is a unit trust, of which 9,999 units are held by HSBC Trustee acting as the trustee of the Barrie Bay Trust and the remaining 1 unit is held by Ms. Yang Hua. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo and Ms. Yang on 22 November 2004, the beneficiary objects of which include the children of Mr. Guo and Ms. Yang who are under 18 years old.
2. Such Shares are held by Data Dreamland, the entire issued share capital of which is held by Barrie Bay. The entire issued share capital of Barrie Bay is held by HSBC Trustee.
3. The number of Shares held by Data Dreamland will decrease upon exercise of the Option under the Option Agreement. Subject to rule 10.07(1) of the Listing Rules, upon the exercise of the Option by JATF, JATF can purchase a certain number of Shares (to be determined in accordance with the mechanism as set out in the Option Agreement and will vary depending on the Offer Price) from Data Dreamland at a nominal aggregate consideration of US\$1.00. Based on the Offer Price of HK\$0.79 per Share, being the lower end of the indicative Offer Price, the number of Shares subject to the Option will be 26,237,054. Accordingly, the percentage of shareholding held by Data Dreamland will be reduced to 50.30% (assuming the Over-Allotment Option is not exercised at all) and 47.93% (assuming the Over-Allotment Option is fully exercised) respectively.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDER

The Directors consider that upon listing, the Group will be able to operate independently from Data Dreamland which is the controlling shareholder (as defined in the Listing Rules) of the Company. The Directors confirm that it is evidenced by the fact that (1) Data Dreamland is an investment company not participating in the operation of the Group on its own; (2) apart from Mr. Guo, being an executive Director, the Group has a full team of senior management staff independent of Data Dreamland; and (3) all of the Group's existing contractual relationship with third parties operate independently from Data Dreamland. Moreover, as at the Latest Practicable Date, there was no and will not be any material outstanding balance due to or from Data Dreamland or its shareholders, or any personal guarantee provided by Data Dreamland or its shareholders for the indebtedness of the Group. The Directors therefore confirm that the Group will also be financially independent from Data Dreamland.

UNDERTAKING BY CONTROLLING SHAREHOLDER AND CERTAIN DIRECTORS

Each of Data Dreamland, Mr. Guo, Ms. Yang and Ms. Ma has confirmed that it does not have any interest in a business which competes or is likely to compete, directly or indirectly, with the Group's business. On 21 November 2004, Data Dreamland, Mr. Guo, Ms. Yang and Ms. Ma (the "Covenantors") executed in favour of the Company a deed of non-competition (the "Deed of Non-Competition") which provides that, so long as (i) Data Dreamland whether directly or indirectly, remains a controlling shareholder (as defined in the Listing Rules) of the Company or (ii) any of Mr. Guo, Ms. Yang and Ms. Ma remains a Director, or (iii) the Shares remain to be listed and traded on the Stock Exchange, each of the Covenantors and its/his/her associates (excluding the Group and its associated companies) irrevocably undertakes to the Company that, he/she/it shall not on his/her/its own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on or be engaged in, concerned with or interested in, directly or indirectly (other than through the Group or its associated companies), whether as a shareholder, director (other than being a director or a shareholder of the Group or its associated company), officer, partner, agent, lender, employee, consultant, proprietor or otherwise and whether for profit, reward or otherwise, the activity of operating, the activity of operating, engaging, managing and investing in any computer related business or company (including, but without limitation, the provision of wireless solution and equipment) that may compete, directly or indirectly, with any business carried on by the Group from time to time ("Restricted Activity"), except that:

- (a) each of the Covenantors and/or their associates or any company which they are respectively interested ("Interested Persons") may invest, participate and be engaged in the Restricted Activity provided that (i) the terms of such investment, participation or engagement (which shall be no less favourable than those terms upon which the Interest Persons invest, participate or engage in) have been disclosed and first offered or made available to the Company by a notice in writing setting out details, in relation to such investment, participation or engagement reasonably sufficient for the Company to make an informed decision; and (ii) the board of Directors (with those Directors who are interested in such Restricted Activity and their respective associates abstaining from voting), after reviewing by the independent non-executive Directors, has rejected such offer in writing and has approved the investment, participation or engagement by the relevant Interested Persons in such Restricted Activity; and provided always that the terms on which

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the relevant Interested Persons invest, participate or engage in such Restricted Activity are the same or no more favourable than those disclosed, offered and made available to the Company;

- (b) each of the Interested Persons may hold or be interested in shares or other securities in any company which conducts or is engaged in any Restricted Activity (the “Subject Company”) provided that (i) such shares or securities are listed on a Recognised Stock Market or a market operated by a Specified Stock Exchange, (ii) the aggregate number of shares held by the Interested Persons do not exceed 5% in aggregate of the issued shares of the Subject Company; (iii) none of them shall be a director of the Subject Company or is entitled to appoint directly or indirectly any director of the Subject Company or otherwise have any board or management control; and (iv) at all times, there is a holder of such shares or securities holding a larger percentage of voting shares or voting securities in the Subject Company than that of the relevant Interested Person; and
- (c) each of the Covenantors may be interested or engaged in the Restricted Activity which is being conducted prior to or on the date of Deed of Non-Competition and which has been disclosed in this prospectus.

Each of the Covenantors further irrevocably undertakes to the Company that he/she/it shall, and shall procure that his/her/its associates (excluding the Group and its associated companies) shall, refer to the Company new business opportunities received by any of them in relation to the Restricted Activity in any territories (including Hong Kong, PRC and overseas) in accordance with the procedures set out in paragraph (a) above.

Each of the Covenantors further unconditionally and irrevocably undertakes to the Company that he/she/it will use his/her/its best endeavours, and will procure his/her/its associates to use their best endeavours to procure that he/she/its employees and any company under he/she/its control, whether directly or indirectly, (except for those within the Group or its associated company) as well as their respective employees to observe the aforesaid restrictions and undertakings.

UNDERTAKING TO AN EX-DIRECTOR

The Company had entered into a subscriber’s director indemnity deed in favour of Mr. Zhong Xiaolin (“Mr. Zhong”) on 22 August 2003 (“Old Deed of Indemnity”) who was a non-executive Director nominated by JATF during the period from 22 August 2003 to 18 March 2004. The Old Deed of Indemnity was terminated and substituted by a new deed of indemnity entered into between Mr. Guo, Ms. Yang, Ms. Ma, Mr. Zhong and the Company dated 21 November 2004 (“New Deed of Indemnity”). Pursuant to the New Deed of Indemnity, the Company and Mr. Zhong agreed to terminate the Old Deed of Indemnity and Mr Guo, Ms. Yang and Ms. Ma jointly and severally agreed to indemnify Mr. Zhong and/or his alternate from and against all liabilities, damages, actions, suits, proceedings, claims, costs, charges and expenses suffered or incurred by or brought or made against Mr. Zhong and/or his alternate as a result of any act, matter or thing done or omitted to be done by him or his alternate in good faith in the course of his or his alternate acting as a Director or alternate director (as the case may be) of the Company unless (a) such liability is a result of the gross negligence or wilful default of Mr. Zhong and/or his alternate or (b) Mr. Zhong and/or his alternate have already been fully indemnified in respect of such liabilities, damages, actions,

suits, proceedings, claims, costs, charges and expenses by a separate insurance policy purchased by the Company. Under the New Deed of Indemnity, the Company is no longer required to indemnify Mr. Zhong.

The rights of Mr. Zhong and/or his alternate under the New Deed of Indemnity shall be subject to the following limitations:—

- (a) The aggregate liability of Mr. Guo, Ms. Yang and Ms. Ma in respect of the Indemnity, together with any liability for any breach of the warranties given by the Company, Data Dreamland, Mr. Guo, Ms. Yang and Ms. Ma under the Subscription Agreement, shall be limited to the amount of US\$4,000,000 (approximately HK\$31,200,000), representing the total consideration for the subscription of the Preference Shares by JATF pursuant to the Subscription Agreement (“Claimed Amount”) plus an amount equal to annual interest rate of 8% to be compounded yearly on such Claimed Amount calculated on a daily basis; and
- (b) Mr. Guo, Ms. Yang and Ms. Ma shall have no liability under the New Deed of Indemnity unless Mr. Zhong shall have given notice in writing to Mr. Guo, Ms. Yang and Ms. Ma of such claim not later than twelve months after the Listing Date.

The Directors confirm that as at the Latest Practicable Date, none of the Company, Mr. Guo, Ms. Yang and Ms. Ma had received any notice from Mr. Zhong in respect of the indemnity under the Old Deed of Indemnity or the New Deed of Indemnity.