

## CHANGE OF ACCOUNTING YEAR END DATE

As approved by the board of directors of the Company on 19th November, 2001, the Group has changed its accounting year end date from 31st March to 31st December with immediate effect. Accordingly, the Company will publish its result announcement and despatch its directors' report and audited financial statements for the nine months ending on 31st December, 2001 on or before 30th April, 2002 and publish its unaudited interim results for the six months ending 30th June, 2002 on or before 30th September, 2002.

The purpose of the change is to provide for co-terminous accounting years throughout all member companies of the Group, as such consistency facilitates the preparation of the Group's consolidated accounts.

## EXECUTIVE SHARE OPTIONS SCHEME

A total of 26,000,000 share options (representing about 6.20% of the total number of the Company's issued shares if fully exercised) were granted to the Company's directors and employees of the Group under the Company's executive share option scheme. During the Period, no options were exercised.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30th September, 2001, the interests of the directors and chief executives in the equity securities of the Company and its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance, the laws of Hong Kong (the "SDI Ordinance"), which had been notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in the Listing Rules or Section 28 of the SDI Ordinance (including interests which they are taken or deemed to have under Section 31 or Part I of the Schedule to the SDI Ordinance) and were recorded in the register required to be kept by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

### (1) The Company

Name of director	Number of shares of HK\$0.25 each				Total	% of total issued shares
	Personal interests	Family interests	Corporate interests	Other interests		
Charles HO Tsu Kwok	—	—	314,052,443 (Note (a))	—	314,052,443	74.8
WONG Wai Ming	—	—	—	—	—	—
Stephen FAN Sheung Tak	—	—	—	—	—	—
Judy INN	—	—	—	—	—	—
LO Wing Hung	—	—	—	—	—	—
Miranda CHAN Kwai Yin (Note (b))	—	—	—	—	—	—
Nigel Ian OAKINS	—	—	—	—	—	—
Paul TONG Yuk Lun	—	—	—	—	—	—
TUNG Chee Chen	—	—	—	—	—	—
YAO Kang	—	—	—	—	—	—
Gerry YIM Lui Fai	—	—	—	—	—	—

Notes:

- (a) Of these shares, (i) 312,624,443 shares are beneficially owned by Global China Multimedia Limited ("GCML"), a wholly-owned subsidiary of Global China Technology Group Limited ("Global China Technology") of which Mr. Charles HO Tsu Kwok is the controlling shareholder through Luckman Trading Limited ("Luckman"); and (ii) 1,428,000 shares are beneficially owned by a company whose entire issued share capital is owned by Mr. Charles HO Tsu Kwok.
- (b) Ms. Miranda CHAN Kwai Yin was appointed an executive director of the Company on 8th October, 2001.

## (2) Ultimate holding company of the Company

Luckman is the ultimate holding company of the Company

Name of director	Type of interest	Number of convertible preference shares in Global China Technology	Number of ordinary shares of HK\$0.10 each in Global China Technology
Charles HO Tsu Kwok	Corporate ( <i>Notes</i> )	1,159,486,908	739,396,000
WONG Wai Ming	Personal	—	186,000
Judy INN	Personal	—	100,000

*Notes:*

- These shares were held by Luckman, a company whose entire issued share capital is owned by Mr. Charles HO Tsu Kwok.
- On 20th June, 2001, Luckman paid up the remaining 90% of the cash subscription price of HK\$0.6388 per share for 132,000,000 preference shares in Global China Technology and exercised the conversion right attached to these fully paid-up preference shares and converted into 132,000,000 ordinary shares in Global China Technology. Upon completion of the conversion, Luckman was interested in 739,396,000 ordinary shares in Global China Technology.

In addition, certain directors personally held options to subscribe for shares in Global China Technology as disclosed under the heading "Directors' Benefits from Rights to Acquire Shares or Debt Securities" below.

Save as disclosed herein and other than certain nominee shares in subsidiaries held by a director in trust for the Group, none of the directors had any interest in the equity or debt securities of the Company and its associated corporations as at 30th September, 2001.

### Directors' Benefits From Rights to Acquire Shares or Debt Securities

#### (1) *The Company*

On 31st August, 2001, each of the directors named below accepted the grant by the Company of an option at a consideration of HK\$1.00 to subscribe for shares in the Company at the subscription price of HK\$0.845 per share under the executive share option scheme adopted by the Company in September 1999. No options granted above had been exercised by the said directors during the Period:

Name of director	Aggregate number of shares underlying the option as at 1st April, 2001	Aggregate number of shares underlying the option as at 30th September, 2001	Number of shares subject to option	Exercise period	
				From	To
WONG Wai Ming	—	6,000,000	up to 3,000,000 up to 6,000,000	30th August, 2002 30th August, 2003	2nd September, 2009 2nd September, 2009
Judy INN	—	2,500,000	up to 1,250,000 up to 2,500,000	30th August, 2002 30th August, 2003	2nd September, 2009 2nd September, 2009
LO Wing Hung	—	3,000,000	up to 1,500,000 up to 3,000,000	30th August, 2002 30th August, 2003	2nd September, 2009 2nd September, 2009
Miranda CHAN Kwai Yin ( <i>Note</i> )	—	2,500,000	up to 450,000 up to 900,000 up to 1,250,000 up to 1,875,000 up to 2,500,000	1st December, 2001 19th April, 2002 30th August, 2002 1st March, 2003 30th August, 2003	2nd September, 2009 2nd September, 2009 2nd September, 2009 2nd September, 2009 2nd September, 2009
Nigel Ian OAKINS	—	1,000,000	up to 500,000 up to 1,000,000	30th August, 2002 30th August, 2003	2nd September, 2009 2nd September, 2009
Gerry YIM Lui Fai	—	2,500,000	up to 1,250,000 up to 2,500,000	30th August, 2002 30th August, 2003	2nd September, 2009 2nd September, 2009

*Note:* Ms. Miranda CHAN Kwai Yin was appointed an executive director of the Company on 8th October, 2001.

Apart from the aforesaid, during the Period, none of the directors of the Company and their respective spouses and children under 18 years of age had been granted by the Company or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance).

## (2) Global China Technology

Each of the directors named below was granted by Global China Technology options to subscribe for ordinary shares in Global China Technology as follows and no options granted above had been exercised by the said directors during the Period:

Name of director	Number of shares subject to option as at 1st April, 2001	Number of shares subject to option as at 30th September, 2001	Consideration paid for the option	Exercise period		Exercise price per share (HK\$)	Date of grant
				From	To		
WONG Wai Ming	30,000,000	30,000,000	—	24th October, 2000	23rd October, 2010	0.8704	23rd October, 2000
				20th September, 2002	19th September, 2011	0.3528	31st August, 2001
Judy INN	10,000,000	10,000,000	—	24th October, 2000	23rd October, 2010	0.8704	23rd October, 2000
				20th September, 2002	19th September, 2011	0.3528	31st August, 2001

Save as disclosed above, at no time during the Period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any other body corporate.

### Substantial Shareholders' Interests in Share Capital

As at 30th September, 2001, the persons (not being a director or the chief executives of the company) or corporations having notified the Company of their interest of 10% or more in the issued share capital of the Company carrying rights to vote at general meetings as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance were Luckman, Global China Technology and GCML. Luckman is the controlling shareholder of Global China Technology of which GCML is the wholly owned subsidiary and all of them had interests in the same 312,624,443 shares, representing about 74.5% of the issued share capital of the Company.

### EMPLOYEES

As at 30th September, 2001, the Group had a total of 2,824 employees (2000: 2,981), of which 1,416 were based in Hong Kong, 1,068 in China, and 340 overseas.

In the coming year, the Group will continue with its prudent human resources policies to ensure that while managing an efficient cost base, the Group will be able to attract and retain quality staff. Apart from basic salaries, discretionary bonus and contribution to mandatory provident fund, the Group provides its staff with various fringe benefits such as provident fund schemes, long service awards, free medical insurance cover, and subsidized meals. In addition, share options were granted to certain senior executives.

### DEALINGS IN THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold shares in the Company during the Period.

### CORPORATE GOVERNANCE

#### Code of Best Practice

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the Period except that described under the heading "Non-executive Directors" below.

#### Non-executive Directors

The non-executive directors have not been appointed for a specific term and they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Bye-law 109 of the Company provides that at each annual general meeting of the Company, with the exception of the executive chairman, one-third of the directors of the Company (or if their number is not three or a multiple of three, the then number nearest to but not exceeding one-third) who have been longest in office since their last election shall retire from office and the retiring directors shall be eligible for re-election.

Based on the present number of directors, a non-executive director will serve on the board for a term of about three years until he/she becomes due to retire from the board by rotation. In the opinion of the directors, this arrangement meets the same objective as the Code of Best Practice.