



SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30th June 2002, 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 Trading Limited, Global China Group Holdings Limited and Global China Multimedia Limited. Luckman Trading Limited was the controlling shareholder of Global China Group Holdings Limited of which Global China Multimedia Limited was 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 as at 30th June 2002.

As at the date hereof, Mr. YAO Yuan, Mr. IU Chung, Ming Yuan Investments Group Limited, Ming Yuan Holdings Limited, Purebred International Limited and Time Shuttle Limited become interested in the same 312,624,443 shares in the Company which do not include shares in the Company acquired or to be acquired under the General Offer.

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 the 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 to the Listing Rules throughout the Period except that described under the heading "Non-executive Directors" below.

Non-executive Directors

During the period under review, 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 Bye-laws 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 number of directors as at 30th June 2002, 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.

AUDIT COMMITTEE

The audit committee meets regularly to review the completeness, accuracy and fairness of the Company's financial statement. They consider the nature and scope of internal and external audit reviews. They also assess the effectiveness of the systems of internal control the Company has established to allow the Board to monitor the Group's overall financial position and to protect its assets. On 25th September 2002, the audit committee made a review on the unaudited consolidated accounts of the Group for the Period.

The audit committee Chairman prepares report to the Board covering its activities for the Period and highlighting any significant issues. The members of the audit committee are Mr. Stephen FAN Sheung Tak (chairman), Mr. YAO Kang and Dr. Paul TONG Yuk Lun, all of whom are independent non-executive directors.

On behalf of the Board

YAO Yuan
Chairman

Hong Kong, 27th September 2002