

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2004, the following person who has interests or short positions in the shares and underlying shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

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

| <b>Name</b>                                   | <b>Capacity and nature of interest</b> | <b>Number of Ordinary shares held</b> | <b>Percentage of the issued share capital of the Company</b> |
|---|--|---------------------------------------|--|
| Dragoncom (Hong Kong) Limited ( <i>Note</i> ) | Through a controlled corporation       | 530,530,000                           | 24.88  |
| Dragoncom Group Limited ( <i>Note</i> )       | Through a controlled corporation       | 530,530,000                           | 24.88  |
| Dragon Delta Limited ( <i>Note</i> )          | Directly beneficial owned              | 530,530,000                           | 24.88  |

*Note:* The 530,530,000 shares were held by Dragon Delta Limited, which is wholly and beneficially owned by Dr. Hon Fong Ming, Perry through Dragoncom Group Limited (formerly known as Dragoncom China Investment Limited) and Dragoncom (Hong Kong) Limited.

Save as disclosed herein as at 30 June 2004, no person (other than the directors of the Company) had an interest or short positions in the shares and underlying shares as recorded in the register of interest required to be kept by the Company pursuant to Section 336 of the SFO.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **AUDIT COMMITTEE**

The Audit Committee comprises of three independent non-executive directors of the Company. Its principal duties include the review and supervision of the Company's financial reporting process and internal controls. The unaudited interim results for the six months ended 30 June 2004 have been reviewed by the Audit Committee, who is of the opinion that such results comply with the applicable accounting standards, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and legal requirements, and that adequate disclosures have been made.

### **CODE OF BEST PRACTICE**

The directors are not aware of any information which would reasonably indicate that the Company is not or was not for any part of the period under review in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye-laws.

By Order of the Board

**Dr. Hon Fong Ming, Perry**

*Chairman*

Hong Kong, 23 September 2004