

Directors' Interests in Shares and Warrants

At 30 September 2000, the interests of the Directors and their associates in the share capital and warrants of the Company and its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

Name of Directors	Number of shares		Number of warrants		Number of ordinary shares of Asia Nice Art Production Limited, a subsidiary of the Company
	Personal interest	Corporate interests	Personal interests	Corporate interests	
Kwok Yan Lam	6,133,340	Note	1,226,668	Note	1,000
Kwok Hing Lam	6,133,340	Note	1,226,668	Note	—

Note:

At 30 September 2000, an aggregate of 1,940,826,660 shares and 388,165,332 warrants of the Company were held by Optimist International Limited (“Optimist”). Messrs. Kwok Yan Lam and Kwok Hing Lam (“Messrs. Lam”) are each entitled to exercise or control the exercise of one-third or more of the voting rights at general meetings of Medusa Group Limited, which in turn is entitled to exercise or control the exercise of one-third or more of the voting rights at general meetings of Optimist. Accordingly, under the SDI Ordinance, Messrs. Lam are each deemed to be interested in all the 1,940,826,660 shares and 388,165,332 warrants of the Company held by Optimist.

Save as aforesaid and other than nominee shares in certain subsidiaries held in trust for the Company by certain directors, none of the Directors, the chief executive or their associates had any personal interests, family interests, corporate interests or other interests in the issued share capital of the Company or any of its associated corporations as defined in the SDI Ordinance as at 30 September 2000.

Under the terms of the share option scheme (the “Scheme”) adopted on 2 January 1991, the Directors of the Company may grant options to executive directors and employees of the Company or any of its subsidiaries to subscribe for shares of the Company subject to the terms of conditions stipulated therein.

No options under the Scheme were granted or exercised during the period and no options were outstanding as at 30 September 2000.

Apart from the above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Subsequent to the interim reporting date, the Company granted an aggregate of 86,000,000 options with subscription price of HK\$0.056 per option share to Directors of the Scheme.

Substantial Shareholders

As at 30 September 2000, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, other than the interests disclosed above in respect of Optimist, no shareholder was interested in 10% or more of the issued share capital of the Company.

Purchase, Sale Or Redemption Of The Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2000.

Compliance With The Code Of Best Practice

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2000, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial statements.

Conclusion

The Directors are of the view that there will be significant value-adding to the Group's business as a result of further convergence and integration of satellite communication with the internet and multimedia in the digital age. The Group is confident that its growth prospect in and beyond 2000 will be very encouraging.

On behalf of the Board, I would like to thank our customers, bankers, suppliers, and friends for their kind support and to thank especially our staff at all levels for their contribution and commitment over the period.

Kwok Yan Lam

Chairman

Hong Kong, 27th December 2000