

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

As at 30 June 2004, the following companies or corporations had interests of 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

Name of shareholder	Notes	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Peking Founder	1	Through a controlled corporation	603,690,000	54.85%
FHL		Beneficial owner	603,690,000	54.85%
Peking University Education Foundation		Beneficiary of a trust	2,330,000	0.21%
Peking University Education Foundation		Beneficial owner	93,240,000*	8.47%
Yahoo! Inc.		Beneficial owner	93,240,000	8.47%
Yahoo! Inc.	2	Through a controlled corporation	60,000,000	5.45%
Yahoo! Holdings (Hong Kong) Limited		Beneficial owner	60,000,000*	5.45%
Ricwinco	3	Beneficial owner	87,680,000	7.97%
F2 Consultant Limited	4	Owned as Nominee	60,671,600	5.51%
HSBC International Trustee Limited	5	Through a controlled corporation	60,500,000	5.50%
Sun Hung Kai Properties Limited	5	Through a controlled corporation	60,500,000	5.50%
Sunco Resources Limited	5	Through a controlled corporation	60,500,000	5.50%
SUNeVision Holdings Ltd.	5	Through a controlled corporation	60,500,000	5.50%
Hugh Profit Investments Ltd.	5	Through a controlled corporation	60,500,000	5.50%
Well Drive Holdings Limited		Beneficial owner	60,500,000	5.50%

* *Derivative interests*

Notes:

- Peking Founder is deemed to be interested in 603,690,000 shares of the Company under the SFO by virtue of its interest in FHL.
- Yahoo! Inc. is deemed to be interested in 60,000,000 shares of the Company under the SFO by virtue of its interest in Yahoo! Holdings (Hong Kong) Limited.
- Mr Yung Chih Shin, Richard is interested in these shares through Ricwinco.
- F2 Consultant Limited holds the shares of the Company as nominee on behalf of the directors of FDC who are acting in their capacity as the trustees of a discretionary trust for the employees of FDC and its subsidiaries.
- Each of HSBC International Trustee Limited, Sun Hung Kai Properties Limited, Sunco Resources Limited, SUNeVision Holdings Ltd. and Hugh Profit Investments Ltd. is deemed to be interested in 60,500,000 shares of the Company under the SFO by virtue of its, direct or indirect, interests in Well Drive Holdings Limited.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES (Continued)

Short positions

Name of shareholder	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Peking Founder	Beneficial owner	60,000,000*	5.45%

* *Derivative interests*

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the sections "Directors' interests and short positions in shares and underlying shares" and "Share option schemes" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

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

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the unaudited condensed consolidated interim financial statements of the Group, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws.

The Company has established an audit committee in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises two independent non-executive directors of the Company. These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2004 of the Group now reported have been reviewed by the audit committee.

By Order of the Board
EC-FOUNDER (HOLDINGS) COMPANY LIMITED
Zhang Zhao Dong
Chairman

Hong Kong
10 September 2004