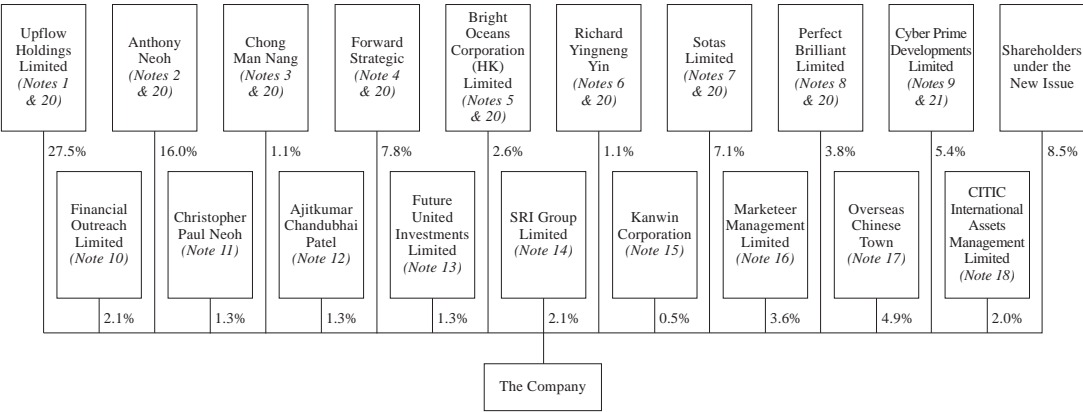


SHAREHOLDING STRUCTURE

Immediately following the listing of the Shares on GEM and without taking into account any Shares which may be issued pursuant to the exercise of any option which may be granted under the Share Option Scheme and/or the Sotas Option, the Shareholders and their respective approximate shareholding in the Company are as follows:



Notes:

1. Upflow Holdings Limited is wholly and beneficially owned by Raymond Neoh, who is an executive Director. Accordingly, Upflow Holdings Limited and Raymond Neoh are Initial Management Shareholders. Raymond Neoh is the younger brother of Anthony Neoh and Christopher Paul Neoh.

On 31st March, 2000, GDC effected three share swaps with Raymond Neoh and Upflow Holdings Limited pursuant to which GDC allotted and issued new shares of GDC to Upflow Holdings Limited in consideration of GDC’s acquisitions of certain equity interests in GDC Entertainment Limited, GDC E-Com Limited and DCDC either wholly or partly owned by Raymond Neoh or Upflow Holdings Limited at an aggregate consideration of US\$7,710,000 (equivalent to HK\$60,138,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Upflow Holdings Limited has become a Shareholder. Details of the reorganization are set out in note 19 below.

2. Anthony Neoh is a non-executive Director and is therefore an Initial Management Shareholder. Anthony Neoh is the elder brother of Raymond Neoh and Christopher Paul Neoh.

On 31st March, 2000, GDC effected two share swaps with Anthony Neoh pursuant to which GDC allotted and issued new shares of GDC to Anthony Neoh in consideration of GDC’s acquisitions of certain equity interests in GDC E-Com Limited and Forward Strategic from Anthony Neoh at an aggregate consideration of US\$4,500,000 (equivalent to HK\$35,100,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Anthony Neoh has become a Shareholder. Details of the reorganization are set out in note 19 below.

3. Chong Man Nang is a member of the senior management of the Company and is therefore an Initial Management Shareholder.

300,000 new shares of GDC were allotted and issued to Chong Man Nang at nil consideration as a sign-up bonus under the engagement agreement entered into between GDC and Chong Man Nang dated 17th June, 2000.

Pursuant to a reorganization of the Company effected in November and December 2002, Chong Man Nang has become a Shareholder. Details of the reorganization are set out in note 19 below.

4. Forward Strategic is a wholly-owned subsidiary of GDC, which is owned at to approximately 32.4% by Upflow Holdings Limited, which is in turn wholly owned by Raymond Neoh. For further details of the shareholding structure of GDC, please refer to the sub-section headed “Competing interest” in the section headed “Business” in this prospectus. On 8th January, 2001, GDC and Sudden Win Holdings Limited entered into an agreement pursuant to which GDC agreed to sell and Sudden Win Holdings Limited agreed to purchase, 31.605% equity interest in DCDC held in the name of Forward Strategic together with the benefit and obligations of an option to purchase from an another shareholder of DCDC 5% of the entire issued shares of another company. In consideration for the sale of the 31.605% equity interest in DCDC and the assignment of the said option, Sudden Win Holdings Limited shall surrender 3,840,000 shares of GDC (representing approximately 15.8% of the then issued share capital of GDC). Immediately after completion of the agreement, Forward Strategic was interested in 3,840,000 shares of GDC (representing approximately 15.8% of the then issued share capital of GDC) surrendered by Sudden Win Holdings Limited and 21.395% interest in DCDC.

On 24th July, 2001, Forward Strategic transferred 200,000 shares of GDC (representing approximately 0.8% of the then issued share capital of GDC) to Future United Investments Limited, details of which are set out in note 13 below, at a cash consideration of US\$1,000,000.

On 2nd November, 2001, Forward Strategic transferred (i) 170,500 shares of GDC (representing approximately 0.7% of the then issued share capital of GDC) to Future United Investments Limited, details of which are set out in note 13 below, at a cash consideration of US\$250,000; and (ii) 341,000 shares of GDC (representing approximately 1.4% of the then issued share capital of GDC) to Bright Oceans Corporation (HK) Limited, details of which are set out in note 5 below, at a cash consideration of US\$500,000.

Pursuant to a reorganization of the Company effected in November and December 2002, Forward Strategic became a Shareholder. Details of the reorganization are set out in note 19 below.

On 20th March, 2003, the shareholders of Forward Strategic, have by written resolution, adopted a share option scheme (“Scheme”) also dated 20th March, 2003, wherein its board is entitled to grant options (“Options”) to grantees such that they can purchase Shares from Forward Strategic pursuant to the terms of the Scheme. The grant of such Options is to remunerate the grantees for their contributions made to the Group. Salient terms are as follows:

- (a) the scheme period during which options can be granted by the board of Forward Strategic under the Scheme is from 20th March, 2003 to the Latest Practicable Date. As such, no further Options can be offered or granted after the Latest Practicable Date;
- (b) the exercise price is the amount of HK\$1.00 which is payable to Forward Strategic upon the exercise of any Options (whether in whole or in part);
- (c) the total number of Shares which can be purchased by the grantees from Forward Strategic upon their exercise of their Options is 3,697,331 Shares, which are existing and issued Shares which represented the entire shareholding interest held by Forward Strategic in the Company as at 20th March, 2003, which also represented approximately 9.2% of the issued share capital of the Company as at the Latest Practicable Date. The aforesaid 3,697,331 Shares shall represent 61,015,197 Shares and 7.8% of Shares (held immediately after the new Issue and the Capitalization Issue before the exercise of the Sotas Option);
- (d) the grantees eligible for the Options include any full-time/part-time employees, directors and consultants, distributors of the Group;
- (e) subject to the option period of each Option being not more than ten years from the date of grant of the relevant Option, the board of Forward Strategic may in the letters containing the offers of Options impose restrictions on the exercise of the Options so granted;
- (f) as at 20th March, 2003, Options to purchase from Forward Strategic an aggregate 61,015,197 Shares (on the basis that the Capitalization Issue had taken place) have been granted by Forward Strategic;
- (g) As at the Latest Practicable Date, all the grantees to the Scheme (as shall be disclosed hereunder), but save for David Kirschner, with the aggregate number of Options of 59,626,594 Shares, have accepted the offer of their respective Options;

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- (h) the Scheme provides that in the event of alteration in the capital structure of the Company prior to the Listing Date or in the event of any alteration in the capital structure by way of consolidation, sub-division or reduction of the share capital of the Company after the Listing Date, whilst any option remains exercisable, except for the issue of Shares as consideration in a transaction, corresponding alterations shall be made to give the grantees the same proportion of equity capital in the Company as to which they were personally entitled, and as the Capitalization Issue was approved by the Shareholders' resolutions passed at the Company's special general meeting held on 18th July, 2003, the Options granted by Forward Strategic as at the Latest Practicable Date were correspondingly altered/adjusted to become Options to purchase an aggregate of 61,015,197 Shares and which options were granted to the following persons in such number as set opposite their names below:

Name of grantee	Title/Position held at the Company and/or GDC and/or their respective subsidiaries	Number of Shares subject to the Options (Note)	Exercisable from	Approximate percentage of issued Shares (Note)
Directors				
Anthony Neoh	Chairman and a non-executive Director	32,201,692	the date of acceptance of the relevant options to the Latest Practicable Date and from 1 year after the Listing Date to 19th March, 2013	4.12%
Raymond Neoh	Chief executive officer and an executive Director	4,818,450	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.62%
Richard Yingneng Yin	Non-executive Director	5,387,778	the date of acceptance of the relevant options to the Latest Practicable Date and from 1 year after the Listing Date to 19th March, 2013	0.69%
Senior management of the Group				
Chong Man Nang	Chief technology officer	8,331,616	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	1.07%
Mak Yau Kee, Adrian	Chief financial officer	2,221,764	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.28%
Mak Lai Yu, Amelia	Chief administration officer/legal adviser	2,221,764	the later of (i) 3 years from her employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.28%

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Name of grantee	Title/Position held at the Company and/or GDC and/or their respective subsidiaries	Number of Shares subject to the Options (Note)	Exercisable from	Approximate percentage of issued Shares (Note)
Benjamin Ng	General manager of GDC Technology Pte. Limited	833,162	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.11%
Consultant of the Company				
David Kirschner	Executive producer of <i>Thru the Moebius Strip</i> and a consultant of the Company	1,388,603	1 year from the Listing Date to 19th March, 2013	0.18%
Employee of the Group				
Ujval Lodha	Senior research and development engineer	833,162	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.11%
Parimal Aswani	Senior research and development engineer	833,162	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.11%
Ong Kiem Ching	Senior development engineer	833,162	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.11%
Thanakorn Kitticharenrkul	Research and development engineer	555,441	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.07%
Pranay Kumar	Research and development engineer	555,441	the later of (i) 3 years from his employment with the Group and/or the GDC Group; or (ii) 1 year from the Listing Date to 19th March, 2013	0.07%
		<u>61,015,197</u>		<u>7.82%</u>

Note: These figures are calculated on the basis of 780,000,000 Shares in issue immediately after the New Issue and Capitalization Issue and take no account of the issue of Shares pursuant to any Options which may be granted under the Share Option Scheme and/or the Sotas Option.

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Since adoption of the Scheme and immediately before the Latest Practicable Date, no Options granted under the Scheme were exercised. Exercise of any of these outstanding Options will not have a dilution/consolidation effect on the shareholdings of the Shareholders at the time of such exercise of Options as well as on the earnings per Share for the relevant financial year of the Group given that the Shares subject to the Options were existing Shares outstanding and held by Forward Strategic, as at the Latest Practicable Date.

5. Bright Oceans Corporation (HK) Limited is ultimately and beneficially owned as to 50% by David Deng Wei, as to 40% by Huang Yi and as to 10% by Zhang Dong Sheng. Huang Yi and Zhang Dong Sheng have no involvement in the management of the Company and save for their indirect interests in the Company, are independent third parties not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules. David Deng Wei is a non-executive Director. Accordingly, Bright Oceans Corporation (HK) Limited, David Deng Wei, Huang Yi and Zhang Dong Sheng are Initial Management Shareholders.

In April 2001, Bright Oceans Corporation (HK) Limited entered into an agreement with GDC pursuant to which (i) Bright Oceans Corporation (HK) Limited agreed to subscribe for 400,000 new shares of GDC at a cash consideration of US\$2,000,000 (equivalent to HK\$15,600,000); and (ii) GDC agreed to grant an option to Bright Oceans Corporation (HK) Limited to acquire 200,000 shares of GDC at a price of US\$2.5 per share of GDC during the period of one year commencing from 25th November, 2001.

In August 2002, the board of directors of GDC decided that the number of shares of GDC taken up by Bright Oceans Corporation (HK) Limited and the number of shares of GDC subject to the option should be adjusted based on a valuation of GDC at US\$100 million. As such, the board of directors of GDC decided that 494,000 shares of GDC should have been issued to Bright Oceans Corporation (HK) Limited and the number of shares of GDC subject to the option should be increased to 247,000. The option was exercised in full in the same month. The additional 94,000 shares of GDC and the 247,000 shares of GDC subject to the option were all transferred from the treasury shares of GDC held by Forward Strategic, a wholly-owned subsidiary of GDC on 2nd November, 2001. Therefore, the subscription price was US\$4.05 per share and the valuation of GDC was US\$100 million.

Pursuant to a reorganization of the Company effected in November and December 2002, Bright Oceans Corporation (HK) Limited has become a Shareholder. Details of the reorganization are set out in note 19 below.

6. Richard Yingneng Yin is appointed as a non-executive Director and therefore an Initial Management Shareholder.

On 31st March, 2000, GDC effected a share swap with Richard Yingneng Yin pursuant to which GDC allotted and issued new shares of GDC to Richard Yingneng Yin in consideration of GDC's acquisition from Richard Yingneng Yin of certain equity interest in GDC E-Com Limited at a consideration of US\$300,000 (equivalent to HK\$2,340,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Richard Yingneng Yin has become a Shareholder. Details of the reorganization are set out in note 19 below.

7. Sotas Limited is an investment holding company and a wholly-owned subsidiary of Morningside CyberVentures Holdings Limited. Morningside CyberVentures Holdings Limited is wholly-owned by Verrall Limited in its capacity as the trustee of a family trust established by Madam Chan Tan Ching Fen for the benefit of certain members of her family and other charitable objects. None of the discretionary objects of the family trust are Directors. Sotas Limited had a board representation (Mr. Chang Ka Ki George) in GDC between August 2000 and November 2002. Sotas Limited does not have any management function in the Group and has no intention to be involved in the management of the Group in the near future. Sotas Limited, Morningside CyberVentures Holdings Limited and Verrall Limited have agreed that they shall be subject to the same restriction on disposal of shares which is imposed by the GEM Listing Rules on Initial Management Shareholders.

Sotas Limited and GDC entered into a subscription agreement dated 2nd April, 2000 pursuant to which Sotas Limited agreed to subscribe for 3,000,000 new shares of GDC for a cash consideration of US\$5,000,000 (equivalent to HK\$39,000,000). The subscription was completed in August 2000.

On 19th November, 2002, Sotas Limited disposed of 1,000,000 shares in GDC for a cash consideration of US\$1,670,000 (equivalent to HK\$13,026,000) to Marketeer Management Limited.

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Pursuant to a reorganization of the Company effected in November and December 2002, Sotas Limited has become a Shareholder. Details of the reorganization are set out in note 19 below.

Pursuant to a deed of novation dated 28th November, 2002 made between GDC Holdings Limited (a wholly-owned subsidiary of the Company), GDC and Sotas Limited, GDC transferred the loans together with outstanding interest which it owed to Sotas Limited, in an aggregate amount of HK\$7,859,616 to GDC Holdings Limited, by way of novation. As the deed further provided for GDC and GDC Holdings Limited to undertake to, prior to the Listing Date, issue to Sotas Limited and/or any of its designates, share options to subscribe for new Shares in replacement of certain options previously issued by GDC to Sotas Limited, the Company has on 5th June, 2003 granted to Sotas Limited the Sotas Option.

The Sotas Option entitles the holder thereof to purchase 504,870 Shares (representing 8,331,615 new Shares and 1.1% of the total issued Shares immediately after the New Issue and the Capitalization Issue but before the exercise of the Sotas Option), with an option period of 36 months commencing from the Listing Date and is exercisable upon 10 days prior written notice.

The exercise of the Sotas Option is subject to the GEM Listing Committee granting listing of and permission to deal in the Shares which may fall to be issued upon the exercise of the Sotas Option.

The Shares issued under the Sotas Option are subject to moratorium on transfer for 12 months from the Listing Date. Verrall Limited will also undertake to the Company and the Stock Exchange that, during the period of 12 months from the Listing Date, it will not change the discretionary objects of the trust upon which it currently holds the shares in Morningside CyberVentures Holdings Limited. Verrall Limited has further undertaken to the Company, the Stock Exchange, the Sponsor and the Lead Manager that it will not dispose of (or enter into any agreements to dispose of) any of its shares in Morningside CyberVentures Holdings Limited during the period of 12 months from the Listing Date. The undertakings given by Verrall Limited as trustee of the trust will be binding upon its successors as trustees of the trust. The cost per Share under the Sotas Option is approximately HK\$0.56 representing approximately 44% discount to the Issue Price.

8. Perfect Brilliant Limited is a company wholly and beneficially owned by William Ka Chung Lam. William Ka Chung Lam was a director of GDC between January 2000 and January 2002. Further, Perfect Brilliant Limited and William Ka Chung Lam do not have nor intend to have any management role in any member of the Group. As William Ka Chung Lam was a director of GDC, Perfect Brilliant Limited and William Ka Chung Lam are regarded as Initial Management Shareholders.

On 31st March, 2000, GDC effected two share swaps with William Ka Chung Lam pursuant to which GDC allotted and issued 1,800,000 new shares of GDC to William Ka Chung Lam in consideration of GDC's acquisitions from William Ka Chung Lam of certain equity interests in GDC Entertainment Limited and Forward Strategic at an aggregate consideration of US\$1,800,000 (equivalent to HK\$14,040,000).

On 21st August, 2002, William Ka Chung Lam transferred 1,300,000 shares in GDC to Perfect Brilliant Limited at nil consideration.

On 25th October, 2002, Perfect Brilliant Limited disposed of (i) 100,000 shares in GDC to SRI Group Limited for a cash consideration of HK\$833,330; and (ii) 150,000 shares in GDC to Kanwin Corporation for a cash consideration of HK\$1,250,000. On the same date, William Ka Chung Lam disposed of 500,000 shares in GDC to SRI Group Limited for a cash consideration of HK\$4,166,670.

Pursuant to a reorganization of the Company effected in November and December 2002, Perfect Brilliant Limited has become a Shareholder. Details of the reorganization are set out in note 19 below. Perfect Brilliant Limited invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. William Ka Chung Lam became acquainted with the Group through his acquaintance with the family of Anthony Neoh and Raymond Neoh.

9. Cyber Prime Developments Limited is wholly owned by Billion On Development Limited, which is in turn wholly owned by Festival Developments Limited, which is in turn wholly owned by Kingsway China Holdings Limited, which is in turn wholly owned by SW Kingsway.

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On 31st March, 2000, GDC effected a share swap with Kingsway Technology Investments Limited pursuant to which GDC allotted and issued new shares of GDC to Kingsway Technology Investments Limited in consideration of GDC's acquisition from Kingsway Technology Investments Limited for certain equity interest in GDC Entertainment Limited at a consideration of US\$1,500,000 (equivalent to HK\$11,700,000). Kingsway Technology Investments Limited is a wholly-owned subsidiary of Kingsway International Holdings Limited, the shares of which are listed on The Toronto Stock Exchange Inc.. Kingsway International Holdings Limited is the holding company of SW Kingsway.

On 21st August, 2002, Kingsway Technology Investments Limited transferred its then entire equity interest in GDC to Cyber Prime Developments Limited for a consideration of HK\$11,700.

Pursuant to a reorganization of the Company effected in November and December 2002, Cyber Prime Developments Limited has become a Shareholder. Details of the reorganization are set out in note 19 below.

Kingsway Capital, a wholly-owned subsidiary of SW Kingsway, is one of the joint financial advisers to the Company in respect of the New Issue.

10. Financial Outreach Limited is an investment holding company and is wholly and beneficially owned by Daniel Gia Tien Lam, who is a private investor. Save that Daniel Gia Tien Lam is the younger brother of William Ka Chung Lam (who is the beneficial owner of Perfect Brilliant Limited), Daniel Gia Tien Lam is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules and his investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties. Further, Daniel Gia Tien Lam does not have nor intend to have any management role in any member of the Group. Financial Outreach Limited has provided funding proof that its interest in GDC was settled by its own source of funding.

On 31st March, 2000, GDC effected five share swaps with Financial Outreach Limited pursuant to which GDC allotted and issued new shares of GDC to Financial Outreach Limited in consideration of GDC's acquisitions from Financial Outreach Limited of the entire equity interests in GDC Technology Limited and GDC China Limited and certain equity interests in GDC E-Com Limited, GDC Consultants Limited and GDC Vision Scape Limited for an aggregate consideration of US\$600,000 (equivalent to HK\$4,680,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Financial Outreach Limited has become a Shareholder. Details of the reorganization are set out in note 19 below. Financial Outreach Limited invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. Daniel Gia Tien Lam became acquainted with the Group through referral from his brother William Ka Chung Lam.

11. Save that Christopher Paul Neoh is the younger brother of Anthony Neoh and the elder brother of Raymond Neoh, Christopher Paul Neoh is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules and his investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties. Further, Christopher Paul Neoh does not have nor intend to have any management role in any member of the Group. Christopher Paul Neoh has provided funding proof that his interest in GDC was settled by his personal source of funding.

On 31st March, 2000, GDC effected a share swap with Christopher Paul Neoh pursuant to which GDC allotted and issued new shares of GDC to Christopher Paul Neoh in consideration of GDC's acquisition from Christopher Paul Neoh of certain equity interest in Forward Strategic at a consideration of US\$375,000 (equivalent to HK\$2,925,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Christopher Paul Neoh has become a Shareholder. Details of the reorganization are set out in note 19 below. Christopher Paul Neoh invested in the Company because he was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry.

12. Ajitkumar Chandubhai Patel is a private investor and has provided a statutory declaration confirming that (i) he is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules; (ii) his investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties; and (iii) he

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is the sole beneficial owner of the Shares held indirectly by him. Ajitkumar Chandubhai Patel does not have nor intend to have any management role in any member of the Group. Ajitkumar Chandubhai Patel has provided funding proof that his interest in GDC was settled by his personal source of funding.

On 31st March, 2000, GDC effected a share swap with Ajitkumar Chandubhai Patel pursuant to which GDC allotted and issued new shares of GDC to Ajitkumar Chandubhai Patel in consideration of GDC's acquisition from Ajitkumar Chandubhai Patel of certain equity interest in Forward Strategic at a consideration of US\$375,000 (equivalent to HK\$2,925,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Ajitkumar Chandubhai Patel has become a Shareholder. Details of the reorganization are set out in note 19 below. Ajitkumar Chandubhai Patel invested in the Company because he was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. Ajitkumar Chandubhai Patel became acquainted with the Group through his acquaintance with Christopher Paul Neoh.

13. Future United Investments Limited is an investment holding company and is wholly and beneficially owned by Yeh Chiang Sheng, who is a private investor and has provided a statutory declaration confirming that (i) he is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules; (ii) his investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties; and (iii) he is the sole beneficial owner of the Shares held indirectly by him. Further, Yeh Chiang Sheng does not have nor intend to have any management role in any member of the Group. Future United Investments Limited has provided funding proof that its interest in GDC was settled by its own source of funding.

In June 2001, Future United Investments Limited agreed to acquire 200,000 shares of GDC at a cash consideration of US\$1,000,000 (equivalent to HK\$7,800,000) and GDC agreed to grant an option to Future United Investments Limited to acquire 100,000 shares of GDC at a price of US\$2.5 per share of GDC. 200,000 shares of GDC were subsequently transferred from Forward Strategic to Future United Investments Limited July 2001.

In August 2002, the board of directors of GDC decided that the number of shares of GDC taken up by Future United Investments Limited and the number of shares of GDC subject to the option should be adjusted based on a valuation of GDC at US\$100 million. As such, the board of directors of GDC decided that 247,000 shares of GDC should have been issued to Future United Investments Limited and the number of shares of GDC subject to the option should be increased to 123,500. The option was exercised in full in September 2002. The additional 47,000 shares of GDC and the 123,500 shares of GDC subject to the option were all transferred from the treasury shares of GDC held by Forward Strategic on 2nd November, 2001. Therefore, the subscription price was US\$4.05 per share and the valuation of GDC was US\$100 million.

Pursuant to a reorganization of the Company effected in November and December 2002, Future United Investments Limited has become a Shareholder. Details of the reorganization are set out in note 19 below. Future United Investments Limited invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. Yeh Chiang Sheng became acquainted with the Group through his acquaintance with Anthony Neoh.

14. SRI Group Limited is an investment holding company, a wholly-owned subsidiary of Heng Fung Capital Company Limited, which is wholly owned by Heng Fung Holdings Limited, the shares of which are listed on the Main Board. The principal business activities of Heng Fung Holdings Limited are credit card operations, securities trading and investments, treasury investment, retailing of fashion apparel and accessories, property investment and medical health care. Heng Fung Holdings Limited is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules and its investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties. Further, Heng Fung Holdings Limited does not have nor intend to have any management role in any member of the Group.

On 25th October, 2002, SRI Group Limited acquired 500,000 shares and 100,000 shares in GDC from William Ka Chung Lam and Perfect Brilliant Limited, a company wholly and beneficially owned by William Ka Chung Lam, respectively, for an aggregate consideration of HK\$5,000,000.

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Pursuant to a reorganization of the Company effected in November and December 2002, SRI Group Limited has become a Shareholder. Details of the reorganization are set out in note 19 below. SRI Group Limited invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. Heng Fung Holdings Limited became acquainted with the Group through referral from William Ka Chung Lam.

15. Kanwin Corporation is an investment holding company and ultimately and beneficially owned by Victor Yang. Victor Yang is a private investor and has provided a statutory declaration confirming that (i) he is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholder of the Company or an associate of any of them for the purpose of the GEM Listing Rules; (ii) his investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties; and (iii) he is the sole beneficial owner of the Shares held indirectly by him. Victor Yang does not have nor intend to have any management role in any member of the Group. Kanwin Corporation has provided funding proof that its interest in GDC was settled by its own source of funding.

On 25th October, 2002, Kanwin Corporation acquired 150,000 shares in GDC from Perfect Brilliant Limited for a cash consideration of HK\$1,250,000.

Pursuant to a reorganization of the Company effected in November and December 2002, Kanwin Corporation has become a Shareholder. Details of the reorganization are set out in note 19 below. Kanwin Corporation invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. Victor Yang became acquainted with the Group through referral from William Ka Chung Lam.

16. Marketeer Management Limited is an investment holding company and ultimately and beneficially owned by Elizabeth Lee Ka Ying. Elizabeth Lee Ka Ying is a private investor and has provided a statutory declaration confirming that (i) she is independent of, and not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules; (ii) her investment in the Group was not funded or backed, directly or indirectly, by all or any of the said parties; and (iii) she is the sole beneficial owner of the Shares held indirectly by her. Further, Elizabeth Lee Ka Ying does not have nor intend to have any management role in any member of the Group. Marketeer Management Limited has provided funding proof that its interest in GDC was settled by its own source of funding.

On 19th November, 2002, Marketeer Management Limited acquired 1,000,000 shares in GDC from Sotas Limited for a cash consideration of US\$1,670,000 (equivalent to HK\$13,026,000).

Pursuant to a reorganization of the Company effected in November and December 2002, Marketeer Management Limited has become a Shareholder. Details of the reorganization are set out in note 19 below. Marketeer Management Limited invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry. Elizabeth Lee Ka Ying became acquainted with the Group through referral from Sotas Limited.

17. Overseas Chinese Town is a wholly owned subsidiary of Overseas Chinese Town Holding Company (華僑城集團公司). Overseas Chinese Town Holding Company is wholly owned by State Assets Regulatory Commission of PRC* (中國國有資產監督管理委員會). Therefore, Overseas Chinese Town is a State-owned enterprise. Overseas Chinese Town was founded on 11th November, 2002. The principal business of Overseas Chinese Town is investment management and its principal business activities include businesses involved in paper packaging, household electronic appliances, hotel and tourism. Overseas Chinese Town is an independent third party not connected with any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules. Overseas Chinese Town invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry and for strategic reasons. Overseas Chinese Town Holding Company was established on 11th November, 1995.

Overseas Chinese Town, the Company and Upflow Holdings Limited (as guarantor) entered into a share subscription agreement dated 10th June, 2003, pursuant to which Overseas Chinese Town agreed to subscribe for 2,302,681 Shares which shall immediately after the New Issue and the Capitalization Issue but before the exercise of the Sotas Option represent 38,000,000 Shares which is at least 4.87% of Shares at the aggregate subscription price of HK\$28,500,000. Overseas Chinese Town's aforesaid investment in the Company represents approximately 6.2% of its audited net asset value as at 31st December, 2002 of HK\$462 million and represents approximately 0.3% of the net asset value of Overseas Chinese Town Holding Company of approximately RMB10,000 million (approximately HK\$9,434 million). The

* For identification purposes only

subscription was completed on 26th June, 2003. Under the relevant share subscription agreement, if the Company fails to have the Shares listed on GEM by 30th November, 2003, Overseas Chinese Town will be entitled to exercise a buyback option pursuant to which the Company will be obliged to repurchase the said 2,302,681 new Shares subscribed by Overseas Chinese Town at HK\$28,500,000 (plus interest based on London Interbank Offer Rate over the relevant period).

18. CITIC International Assets Management Limited is a wholly owned subsidiary of CITIC International Financial Holdings Limited. The shares of CITIC International Financial Holdings Limited are listed on the Main Board. CITIC International Financial Holdings Limited (formerly known as CITIC Ka Wah Bank Limited) was established on 17th December, 1924. The principal business activities of CITIC International Assets Management Limited are investment holding and assets management and its portfolio comprises non-performing loans, performing liquid assets and other assets. The principal business of CITIC International Financial Holdings Limited include the provision of general banking and related financial services. CITIC International Financial Holdings Limited and CITIC International Assets Management Limited are independent third parties not connected with, any of the directors, chief executive, substantial shareholders or initial management shareholders of the Company or an associate of any of them for the purpose of the GEM Listing Rules. CITIC International Assets Management Limited invested in the Company because it was optimistic about the potential growth and future of the digital content industry and the positioning of the Company in this industry.

CITIC International Assets Management Limited and the Company entered into a share subscription agreement dated 12th June, 2003, pursuant to which CITIC International Assets Management Limited agreed to subscribe for 945,311 Shares which shall immediately after the New Issue and Capitalization Issue but before the exercise of the Sotas Option represent 15,600,000 Shares which is at least 2.00% of Shares at the aggregate subscription price of HK\$11,700,000. The subscription was completed on 25th June, 2003. CITIC International Assets Management Limited currently manages a portfolio worth approximately HK\$1.2 billion and its investment in the Company represents approximately 1.0% of the portfolio it manages. Further, such investment represents approximately 0.17% of the net asset value of CITIC International Financial Holdings Limited as at 31st December, 2002 of approximately HK\$7,426 million).

19. In preparation for the New Issue, the Company has effected a reorganization pursuant to which, among other things, GDC Entertainment Limited, GDC China Limited and GDC Technology Limited have become wholly-owned subsidiaries of the Company and the then existing shareholders of GDC have become the Shareholders. The reorganization hinged on 2 different share swap arrangements, a capital reduction, a distribution in specie and another share swap arrangement, details of which are set out below:

Share Swap 1

On 28th November, 2002, GDC sold all its shares and inter-company debts in GDC Technology Limited, GDC Entertainment Limited and GDC China Limited to GDC Holdings Limited (a company incorporated in the BVI by GDC) (“Share Swap 1”). The consideration for the Share Swap 1 consisted of (i) GDC Holdings Limited’s allotment and issuance of 521,418,075 of its shares of US\$0.01 each to GDC and (ii) GDC Holdings Limited’s assumption of certain loans and a convertible loan which were owed by GDC to several lenders, by way of novation.

Share Swap 2

On 28th November, 2002, GDC sold its entire 100% shareholding in GDC Holdings Limited to GDC (BVI) Limited (another company incorporated in the BVI by GDC) (“Share Swap 2”) in consideration of GDC (BVI) Limited’s allotment and issuance of 521,418,075 of its shares of US\$0.01 each to GDC.

Capital reduction

On 28th November, 2002, to facilitate the distribution in specie by GDC of its entire shareholding in GDC (BVI) Limited described below, GDC reduced its share capital from US\$24,700,000 divided into 24,700,000 shares of US\$1.00 each to US\$100,000 divided into 100,000 shares of US\$1.00 each, by reducing and canceling its paid-up capital.

GENERAL OVERVIEW OF THE GROUP

Distribution in specie

On 28th November, 2002, GDC distributed to its existing shareholders, its entire shareholding in GDC (BVI) Limited by way of distribution in specie pro rata. Immediately after the said distribution in specie, the shareholding of GDC (BVI) Limited was as follows:

Name of shareholders	Number of distributed shares	Approximate percentage of shareholding
Upflow Holdings Limited	162,758,436	31.21%
Anthony Neoh	94,995,196	18.22%
Chong Man Nang	6,333,013	1.21%
Forward Strategic	66,042,771	12.67%
Bright Oceans Corporation (HK) Limited	15,642,542	3.00%
Cyber Prime Developments Limited	31,665,065	6.07%
Sotas Limited	42,220,087	8.10%
Perfect Brilliant Limited	22,165,546	4.25%
Christopher Paul Neoh	7,916,266	1.52%
Richard Yingneng Yin	6,333,013	1.21%
Financial Outreach Limited	12,666,026	2.43%
Ajitkumar Chandubhai Patel	7,916,266	1.52%
Future United Investments Limited	7,821,271	1.50%
SRI Group Limited	12,666,026	2.43%
Kanwin Corporation	3,166,507	0.61%
Marketeer Management Limited	21,110,044	4.05%
Total	521,418,076*	100.00%

Share Swap 3

After GDC (BVI) Limited repurchased 19,664,005 shares of GDC (BVI) Limited from Forward Strategic at par for a consideration of US\$196,640.05 for subsequent cancellation on 31st December, 2002, the existing shareholders of GDC (BVI) Limited (as set out above), on 31st December, 2002 sold their entire 100% shareholding in GDC (BVI) Limited to the Company (“Share Swap 3”) in return for the Company’s allotment and issuance of an aggregate of 30,000,000 Shares (as per the following manner according to their then shareholding interests in GDC (BVI) Limited) and to credit as fully paid at par the 10,000,000 Shares issued nil-paid to Upflow Holdings Limited on 7th November, 2002:

Name of allottee	Number of consideration Shares	Approximate percentage of shareholding
Upflow Holdings Limited (<i>Note</i>)	12,975,156	32.44%
Anthony Neoh	7,573,048	18.94%
Chong Man Nang	504,870	1.26%
Forward Strategic	3,697,330	9.24%
Bright Oceans Corporation (HK) Limited	1,247,028	3.12%
Cyber Prime Developments Limited	2,524,350	6.31%
Sotas Limited	3,365,800	8.41%
Perfect Brilliant Limited	1,767,044	4.42%
Christopher Paul Neoh	631,088	1.58%
Richard Yingneng Yin	504,870	1.26%
Financial Outreach Limited	1,009,740	2.52%
Ajitkumar Chandubhai Patel	631,088	1.58%
Future United Investments Limited	623,514	1.56%
SRI Group Limited	1,009,740	2.52%
Kanwin Corporation	252,434	0.63%
Marketeer Management Limited	1,682,900	4.21%
	40,000,000	100.00%

Note: The 12,975,156 shares held by Upflow Holdings Limited already included the 10,000,000 Shares issued nil-paid to it on 7th November, 2002

* this figure encompasses rounding up discrepancies of 1 Share

GENERAL OVERVIEW OF THE GROUP

After implementation of the above reorganization steps, all the then shareholders of GDC became Shareholders and the ultimate beneficial interest of each of the Shareholders in the Group before and after the completion of the above reorganization steps were the same.

20. Each of the Initial Management Shareholders has undertaken to the Stock Exchange, the Company, the Sponsor, the Lead Manager and the Underwriters that, save as permitted under the GEM Listing Rules and subject to the provisions of the Underwriting Agreement (where applicable), he/it shall not, and shall procure that none of his/its associates, nominees or trustees holding in trust for him/it shall, during a period of 12 months immediately following the Listing Date; (a) sell, transfer or otherwise dispose of or create any rights (including but not limited to the creation of any options, rights or interests or entering into any swap agreements or other arrangements that transfers or otherwise disposes of, in whole or in part, any of the economic consequence of ownership of Shares) in respect of any of the Shares beneficially owned by him/it or his/its associates, nominees or trustees after the completion of the New Issue and the Capitalization Issue; or (b) sell, transfer or otherwise dispose of any interest (or enter into an agreement to do any of the foregoing) in any shares in any company owned by any of them which is directly, or through another company indirectly, the beneficial owner of any of the Shares.

Each of the Initial Management Shareholders has further undertaken to the Company, the Sponsor, the Lead Manager, the Underwriters and the Stock Exchange that during the period of 12 months immediately following the Listing Date; (a) if he/it pledges or charges any interests in the relevant securities (as defined in the GEM Listing Rules), he/it shall give prior written notice to the Company and the Lead Manager of such pledges or charges together with the number of securities so pledged or charged, the purpose for which the pledge or charge is made and such other relevant details as the Company or Lead Manager may reasonably require; (b) when he/it receives indications, either oral or written, from the pledgee or chargee that any relevant securities (as defined in the GEM Listing Rules) pledged or charged by him or it will be or has been disposed of, he/it will immediately inform the Company and the Lead Manager in writing of such indications of disposal; and (c) that he/it will place his/its Shares in escrow, with an escrow agent on terms acceptable to the Stock Exchange.

21. Each of the Significant Shareholders has undertaken to the Stock Exchange, the Company, the Sponsor, the Lead Manager and the Underwriters that, save as permitted under the GEM Listing Rules and subject to the provisions of the Underwriting Agreement, he/it shall not, and shall procure that none of his/its associates, nominees or trustees holding in trust for him/it shall, during a period of 12 months immediately following the Listing Date; (a) sell, transfer or otherwise dispose of or create any rights (including but not limited to the creation of any options, rights or interests or entering into any swap agreements or other arrangements that transfers or otherwise disposes of, in whole or in part, any of the economic consequence of ownership of Shares) in respect of any of the Shares beneficially owned by him/it or his/its associates, nominees or trustees after the completion of the New Issue and the Capitalization Issue; or (b) sell, transfer or otherwise dispose of any interest (or enter into an agreement to do any of the foregoing) in any shares in any company owned by any of them which is directly, or through another company indirectly, the beneficial owner of any of the Shares.

Each of the Significant Shareholders has further undertaken to the Company, the Sponsor, the Lead Manager, the Underwriters and the Stock Exchange that during the period of 12 months immediately following the Listing Date; (a) if he/it pledges or charges any interests in the relevant securities (as defined in the GEM Listing Rules), he/it shall give prior written notice to the Company and the Lead Manager of such pledges or charges together with the number of securities so pledged or charged, the purpose for which the pledge or charge is made and such other relevant details as the Company or Lead Manager may reasonably require; (b) when he/it receives indications, either oral or written, from the pledgee or chargee that any relevant securities (as defined in the GEM Listing Rules) pledged or charged by him or it will be or has been disposed of, he/it will immediately inform the Company and the Lead Manager in writing of such indications of disposal; and (c) that he/it will place his/its Shares in escrow, with an escrow agent on terms acceptable to the Stock Exchange.

22. Each of the Initial Management Shareholders and the Directors has confirmed that he/it has not entered into, and will not enter into, prior to the listing of Shares on GEM, any arrangements or agreements (other than those disclosed in this prospectus) in relation to the listing application of the Company on GEM, the Shares allotted and issued to the Shareholders or to be placed pursuant to the Placing, as well as the prices of the Shares.

Each of Financial Outreach Limited, Christopher Paul Neoh, SRI Group Limited, Kanwin Corporation, Marketeer Management Limited, Overseas Chinese Town and CITIC International Assets Management Limited has undertaken to the Stock Exchange, the Company, the Sponsor, the Lead Manager and the Underwriters that, save as permitted under the GEM Listing Rules and subject to the provisions of the Underwriting Agreement, he/it shall not, and shall procure that

none of his/its associates, nominees or trustees holding in trust for him/it shall, during a period of 12 months immediately following the Listing Date; (a) sell, transfer or otherwise dispose of or create any rights (including but not limited to the creation of any options, rights or interests or entering into any swap agreements or other arrangements that transfers or otherwise disposes of, in whole or in part, any of the economic consequence of ownership of Shares) in respect of any of the Shares beneficially owned by him/it or his/its associates, nominees or trustees after the completion of the New Issue and the Capitalization Issue; or (b) sell, transfer or otherwise dispose of any interest (or enter into an agreement to do any of the foregoing) in any shares in any company owned by any of them which is directly, or through another company indirectly, the beneficial owner of any of the Shares.

In addition to the undertakings given by the Initial Management Shareholders and Significant Shareholders, each of Financial Outreach Limited, Christopher Paul Neoh, SRI Group Limited, Kanwin Corporation, Marketeer Management Limited, Overseas Chinese Town and CITIC International Assets Management Limited has undertaken to the Company, the Sponsor, the Lead Manager, the Underwriters and the Stock Exchange that during the period of 12 months immediately following the Listing Date he/it will place his/its Shares in escrow, with an escrow agent on terms acceptable to the Stock Exchange.

Each of Financial Outreach Limited, Christopher Paul Neoh, SRI Group Limited, Kanwin Corporation, Marketeer Management Limited, Overseas Chinese Town and CITIC International Assets Management Limited further confirm to the Company, the Sponsor, the Lead Manager and the Stock Exchange that, save as disclosed in this prospectus, he/it does not have any arrangement, agreement or transaction with the Company or any of its directors or the Initial Management Shareholders or any of their respective associates (as defined in the GEM Listing Rules).

CORPORATE STRUCTURE

The following chart shows the corporate structure of the companies comprising the Group immediately after the listing of the Shares on GEM and their respective place of incorporation and principal activities:

