

H2H Digital and GDC Technology Leads the Market in digital delivery of motion picture films in Asia

For immediate release

Hong Kong, 03 March 2004. H2H Digital Limited, the leading digital cinema integrator in Asia, announced today that a deal has been signed with Media Asia to provide telecine transfer and encoding services to enable the distribution of two additional film titles in 2004 to China, Hong Kong, Singapore, Taiwan and Thailand.

H2H Digital, in collaboration with GDC Technology (GDC Tech) Limited, was responsible for facilitating the first cross-border digital distribution of local Hong Kong producer, Media Asia's blockbuster release, *Infernal Affairs III*. GDC Tech, the worldwide leading developer of digital cinema solutions, equipped Shaw Lido Cineplex in Singapore Theatre's with GDC Technology's 2K DSR™ Digital Film Server to present the film at the Gala opening on 12 December 2003.

The digital version of *Infernal Affairs III* was distributed in several Asian countries, including China and data security management was closely maintained by GDC Tech, on behalf of H2H, throughout the entire process. As a result of the successful trial, Media Asia is demonstrating its commitment to the digitization process by committing to 2 additional films in 2004. "As the number of digital screens are increasing in Asia, the opportunity to reduce distribution costs and reduce piracy as a result of wider distribution through digitization makes good business sense." Says Jeffrey Chan, Head of Distribution at Media Asia.

H2H confirmed SingTel as the first provider to participate in the trial of cross-border film distribution to Singapore. "We first met with SingTel in September 2003 to introduce the concept of delivering digital films to Singapore, says Renaud Palliere, CEO of H2H Digital. "Today we are developing and expanding partnerships with a number of satellite and fiber network operators across the Asia-Pacific region in order to provide the film studios and distributors with an ubiquitous, cost-efficient, secure and most importantly, neutral intra-Asia and trans-pacific delivery mechanisms."

Since the digital delivery of *Infernal Affairs 3*, similar trials have been conducted in Asia, such as the recent distribution of a filmed event to theatres in India. In this trial, the content was distributed via satellite transmission. "By providing the secure DVB-IP communication interface directly to our server, which has multiple-layered encryption to protect the content, the cost benefit of our satellite delivery solution is important factor for our clients in the roll-out of digital cinemas in Asia", said Dr Man Nang CHONG, GDC Technology's CEO. "As issues of picture quality, cost and security are some of the most important aspects of digital film distribution, there is a great need for close coordination between the producer, the post-postproduction house and the distributor." Says Dr. CHONG.

" Many telecommunications companies are promoting their services on the basis of their footprint coverage and believe they are well positioned to take over the role of local film distributors, ultimately rendering their services obsolete," Film studios have already expressed concerns over teleco's as the new gatekeepers of the film distribution business, and instead, are partnering with a neutral 3rd party service providers like ourselves according to Paula Brillson, Executive Vice President of Content Services. "We have clear examples of such satellite companies who have tried this approach and failed because they failed to win the trust of the producers/distributors. "The H2H approach," says Brillson, "is to streamline the process of film digitization and delivery to help reduce costs while at the same time, creating commercial opportunities and maintaining high quality and security standards. We do not see our services as a replacement of the distributor or as an additional third-party player between the distributor/theatre relationships but more as the role of neutral integrator.

Acting at both ends of the supply chain (content providers and exhibitors) H2H is in the process of fast tracking the industry shift toward a digital exhibition format by offering mastering and encoding services to producers and digital equipment to the theatres in several Asian countries. H2H then delivers the digital diskette to the distributors or, under the direction of the distributor, transport the film directly to the theatres.

In addition to film distribution, H2H is making alternative content available to theatres equipped with GDC satellite-enabled servers, including sporting events and musical concerts and educational programming.

About H2H.

Headquartered in Hong Kong, H2H Digital, a subsidiary of The H2H Group, Limited, is the leading provider of integrated digital cinema equipment platforms, lease financing and end-to-end connectivity services and delivers filmed entertainment, alternative and digital advertising content to cinemas on a worldwide basis. Visit www.h2hdigital.com

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About GDC

GDC Technology Private Limited is a subsidiary of the Hong Kong Public Listed Company - Global Digital Creations Holdings Limited. GDC Technology pioneers digital post-production, delivery and presentation technologies. Known for its commitment to innovative engineering work, quality products and state-of-the-art technology, GDC Technology offers solutions on film transfer, post-production, delivery and presentation of digital content.

GDC Technology's 2K DSR™ Encoder and Server are used to screen Disney's Brother Bear with 2K DLP Cinema projector in Singapore's Eng Wah 2K digital-cinema theatres.

For more information on GDC Technology, Ms Sharon Ang, GDC Technology Private Limited, 70 A/B Amoy Street, Singapore 069889, visit www.gdc-tech.com