

Directors' and chief executives rights to acquire shares

Pursuant to the Company's share option scheme as set out in note 26 to the financial statements, the Company has granted options on the Company's shares in favour of the following directors of the Company, the details of which are as follows:

Interests in the Company:

Name of Director	Date of grant	Exercisable period	Exercise price HK\$	Number of share options				
				Outstanding at 31 Dec, 1999	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31 Dec, 2000
YUEN Tin Fan, Francis	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	16,200,000	—	—	—	16,200,000
YANG Fan Shing, Andrew	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	3,800,000	—	—	—	3,800,000
WANG Xianzhang	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	1,900,000	—	—	1,900,000	—
ALLEN Peter Anthony	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	500,000	—	—	—	500,000
BONNER John Todd	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	13,800,000	—	—	—	13,800,000
CHUNG Cho Yee, Mico	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	1,900,000	—	—	—	1,900,000
LEE Ho Sang	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	1,900,000	—	—	—	1,900,000
	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2007	5.024	486,000	—	—	—	486,000
LIU Fei	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	500,000	—	—	500,000	—
LUK Kin Yu, Peter	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2009	6.28	1,900,000	—	—	—	1,900,000
	7 Jul, 1999	7 Jul, 2000 to 6 Jul, 2007	5.024	729,000	—	—	—	729,000

None of the directors has exercised any of their share options during the year. Further details of the share option scheme are set out in note 26 to the financial statements.

Directors' and chief executives rights to acquire shares (Continued)

Interests in associated corporations:

I. Pacific Century Regional Developments Limited

Name of Director	Date of grant	Exercisable period	Exercise price S\$	Number of share options				
				Outstanding at 31 Dec, 1999	Granted during the year	Exercised during the year	Lapsed/cancelled during the year	Outstanding at 31 Dec, 2000
ALLEN Peter Anthony	1 Oct, 1998	1 Oct, 2000 to 30 Sep, 2003	*0.1	*5,000,000	—	*5,000,000	—	—
ARENA Alexander Anthony	24 Nov, 1999	25 Oct, 2001 to 24 Oct, 2009	*0.7584	*15,300,000	—	—	—	*15,300,000
BONNER John Todd	24 Nov, 1999	25 Oct, 2001 to 24 Oct, 2009	*0.7584	*5,000,000	—	—	—	*5,000,000
CHUNG Cho Yee, Mico	15 Apr, 1999	15 Apr, 2001 to 14 Apr, 2004	*0.1430	*8,000,000	—	—	—	*8,000,000
TO Peter	1 Oct, 1998	1 Oct, 1999 to 30 Sep, 2003	*0.1	*10,000,000	—	*10,000,000	—	—

* The number of share options increased by 10 times and the exercise price decreased by 10 times due to the share split on 10 October, 2000.

Directors' and chief executive's rights to acquire shares (Continued)

II. Pacific Century CyberWorks Limited

Name of Director	Date of grant	Exercisable period	Exercise price HK\$	Number of share options				
				Outstanding at 31 Dec, 1999	Granted during the year	Exercised during the year	Lapsed/cancelled during the year	Outstanding at 31 Dec, 2000
YUEN Tin Fan, Francis	28 Aug, 1999	17 Aug, 2000 to 17 Aug, 2009	2.356	32,000,000	—	21,330,000	—	10,670,000
	26 Aug, 2000	26 Aug, 2001 to 26 Aug, 2010	12.024	—	32,000,000	—	—	32,000,000
ALLEN Peter Anthony	28 Aug, 1999	17 Aug, 2000 to 17 Aug, 2009	2.356	2,360,000	—	1,000,000	—	1,360,000
	26 Aug, 2000	26 Aug, 2001 to 26 Aug, 2010	12.024	—	1,786,000	—	—	1,786,000
ARENA Alexander Anthony	28 Aug, 1999	17 Aug, 2000 to 17 Aug, 2009	2.356	16,000,000	—	—	—	16,000,000
	26 Aug, 2000	26 Aug, 2001 to 26 Aug, 2010	12.024	—	16,000,000	—	—	16,000,000
BONNER John Todd	28 Aug, 1999	17 Aug, 2000 to 17 Aug, 2009	2.356	1,080,000	—	1,080,000	—	—
	13 Nov, 1999	25 Oct, 2000 to 25 Oct, 2009	4.552	5,000,000	—	—	—	5,000,000
	26 Aug, 2000	26 Aug, 2001 to 26 Aug, 2010	12.024	—	4,800,000	—	—	4,800,000
CHUNG Cho Yee, Mico	28 Aug, 1999	17 Aug, 2000 to 17 Aug, 2009	2.356	28,476,000	—	10,600,000	—	17,876,000
	26 Aug, 2000	26 Aug, 2001 to 26 Aug, 2010	12.024	—	10,600,000	—	—	10,600,000
TO Peter	28 Aug, 1999	17 Aug, 2000 to 17 Aug, 2009	2.356	32,000,000	—	10,200,000	—	21,800,000

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, holding companies and fellow subsidiaries a party to any arrangement to enable the Company's directors or chief executive or their associates or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Directors' interests in contracts

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, holding companies and fellow subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Except for the loans made to directors set out in note 18 to the financial statements, at no time during the year were there any loans advanced to or obligations assumed by or for a director of the Company.

Directors' interests in competing business

Interests of directors of the Company in competing businesses as at 31 December 2000 required to be disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

<u>Name of Director</u>	<u>Name of companies</u>	<u>Nature of competing business</u>	<u>Nature of interest</u>
YANG Chao	China Insurance Co. (Germany) Ltd.	General Insurance business	As a director
	China Insurance Co. (Luxemburg) Ltd.	General Insurance business	As a director
	China Insurance Co. (UK) Ltd.	General Insurance business	As a director
	China Insurance Company Ltd.	General Insurance business	As a director
	China Insurance Indonesia Co., Ltd.	General Insurance business	As a director
	China Internatinal Reinsurance Co., Ltd.	Reinsurance business	As a director
	China Life Insurance Company Ltd.	Life Insurance business	As a director
	The Ming An Insurance Co. (Hong Kong), Ltd.	General Insurance business	As a director
	The Tai Ping Insurance Company Ltd.	General Insurance business	As a director
	The Tai Ping Life Insurance Co., Ltd.	Life Insurance business	As a director
ZHENG Chang Yong	China Life Insurance Company Ltd.	Life Insurance business	As a director
	The Tai Ping Insurance Company Ltd.	General Insurance business	As a director
	The Tai Ping Life Insurance Co., Ltd.	Life Insurance business	As a director

All of the above companies are within the China Insurance Group, which holds 14.8% interests of the Company as described in the section "Substantial shareholders" below.

Other than as disclosed above, none of the directors is interested in any business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's business.

Substantial shareholders

As at 31 December 2000, the following interests of 10% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

<u>Name</u>	<u>Notes</u>	<u>Number of issued shares held</u>		<u>Percentage of total issued shares</u>
		<u>Direct interest</u>	<u>Deemed interest</u>	
Pacific Century Regional Developments Limited	(1)	308,627,250	—	44.8%
LI Tzar Kai, Richard	(1)	—	308,627,250	44.8%
Pacific Century Group Holdings Limited	(1)	—	308,627,250	44.8%
Pacific Century International Limited	(1)	—	308,627,250	44.8%
Pacific Century Group (Cayman Islands) Limited	(1)	—	308,627,250	44.8%
Anglang Investments Limited	(1)	—	308,627,250	44.8%
Million Profits Enterprises Inc.	(2)	—	102,150,000	14.8%
The Ming An Insurance Company (Hong Kong) Limited	(2)	—	102,150,000	14.8%
China Insurance H.K. (Holdings) Company Limited	(2)	—	102,150,000	14.8%

Substantial shareholders (Continued)

Notes:

- (1) Each of Mr. Li Tzar Kai, Richard, Pacific Century Group Holdings Limited, Pacific Century International Limited, Pacific Century Group (Cayman Islands) Limited and Anglang Investments Limited is taken to have an interest under the SDI Ordinance in the same 308,627,250 shares held by Pacific Century Regional Developments Limited.
- (2) Each of Million Profits Enterprises Inc., The Ming An Insurance Company (Hong Kong) Limited and China Insurance H.K. (Holdings) Company Limited is taken to have an interest under the SDI Ordinance in the same 102,150,000 shares, in aggregate, beneficially owned by Joyful Box Inc. and King System Limited.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section “Directors’ and chief executive’s interests in shares and warrants” above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

Connected transactions

Details of the connected transactions as defined under the Listing Rules are set out in note 32 to the financial statements. In the opinion of the directors of the Company, including the independent non-executive directors, these connected transactions were:

- conducted in the ordinary and usual course of the Group’s business;
- conducted on normal commercial terms and on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
- conducted in accordance with the terms of the agreements governing such transactions.

Compliance with the Code of Best Practice

In the opinion of directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules during the year. The Company established an audit committee in accordance with paragraph 14 of the Code of Best Practice and with reference to “A Guide for the Formation of an Audit Committee” issued by the Hong Kong Society of Accountants.

Auditors

The financial statements for the year have been audited by Ernst & Young who now retire and, being eligible, offer themselves for re-appointment.

By order of the Board:

YUEN Tin Fan, Francis

Chairman

Hong Kong

15 March 2001