

## DIRECTORS' INTERESTS IN COMPETING BUSINESS (Continued)

Having considered the nature, size and scope of the above businesses, the directors of the Company believe that there is unlikely to be any significant competition with the businesses of the Group.

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

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

### The Company

Details of the outstanding options granted to the directors under the Company's share option scheme are summarised as follows:

Name of director	Exercisable period	Exercise price HK\$	Number of shares under options at 1.1.2000	Granted during the year	Exercised during the year	Surrendered/ lapsed during the year	Number of shares under options at 31.12.2000
Oei Hong Leong	21.7.1998 to 20.7.2002	0.606	18,500,000	—	—	—	18,500,000
	27.5.1999 to 26.5.2004	0.30	25,000,000	—	—	—	25,000,000
Ma Wai Man, Catherine	27.5.1999 to 26.5.2004	0.30	25,000,000	—	(25,000,000)	—	—
	12.1.2000 to 11.1.2005	0.344	—	25,000,000	(25,000,000)	—	—
	14.2.2000 to 13.2.2005	0.405	—	25,000,000	(20,000,000)	—	5,000,000
Lien Kait Long	22.11.1999 to 21.11.2004	0.30	2,000,000	—	(2,000,000)	—	—
	14.2.2000 to 13.2.2005	0.405	—	30,000,000	(30,000,000)	—	—

Details of the Company's Executive Share Option Scheme are set out in note 28 to the financial statements.

# Directors' Report

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (Continued)

### China Tire

Details of the outstanding options granted to the directors of the Company by China Tire are summarised as follows:

Name of director	Exercisable period	Exercise price US\$	Number of shares under options at 1.1.2000	Granted during the year	Exercised during the year	Surrendered/ lapsed during the year	Number of shares under options at 31.12.2000
Oei Hong Leong	23.2.1995 to 22.2.2005	10.25	220,000	—	—	(220,000)	—
Ma Wai Man, Catherine	23.2.1995 to 22.2.2005	10.25	30,000	—	—	—	30,000
	1.6.1999 to 31.5.2009	5.875	190,000	—	(10)	—	189,990

Details of China Tire's Executive Share Option Scheme are set out in note 28 to the financial statements.

### China Land

A share option scheme was adopted by China Land on 27th June, 2000. No options under the share option scheme were granted to or exercised by any of the Company's directors during the year and no options were outstanding as at 31st December, 2000. Details of China Land's executive share option scheme are set out in note 28 to the financial statements.

Save as disclosed above, at no time during the year 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 the acquisition of shares in, or debentures, of the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company or had exercised any such rights during the year.

## SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2000, the following persons were recorded in the register kept by the Company under section 16 of the SDI Ordinance for the purposes of sections 3 to 7 of the SDI Ordinance as being interested in shares representing 10% or more of the issued share capital of the Company:

Name	Note	Number of shares	Approximate shareholding percentage
Calisan	1	804,400,000	17.45%
Great Decision Limited	1	804,400,000	17.45%
Paul Y. - ITC Investments Group Limited	1	804,400,000	17.45%
Paul Y. - ITC Construction Holding (B.V.I.) Limited	1	804,400,000	17.45%
Paul Y.	1	804,400,000	17.45%
Hollyfield Group Limited	1	804,400,000	17.45%
ITC	1	804,400,000	17.45%
Galaxyway Investments Limited	1	804,400,000	17.45%
Chinaview	1	804,400,000	17.45%
Dr. Chan Kwok Keung, Charles	1	804,400,000	17.45%
Well Orient Limited	2	804,400,000	17.45%
Powervote Technology Limited	2	804,400,000	17.45%
Hanny Magnetics (B.V.I.) Limited	2	804,400,000	17.45%
Hanny	2	804,400,000	17.45%

*Note:*

1. Dr. Chan Kwok Keung, Charles owns the entire interest of Chinaview which in turn owns the entire interest in Galaxyway Investments Limited ("Galaxyway"). Galaxyway owns more than one-third of the entire issued share capital of ITC. ITC owns the entire interest of Hollyfield Group Limited ("Hollyfield"). Hollyfield owns more than one-third of the entire issued share capital of Paul Y. Paul Y. owns the entire interest in Paul Y. - ITC Construction Holdings (B.V.I.) Limited ("PYBVI") which in turn owns the entire interest in Paul Y. - ITC Investments Group Limited ("PYITCIG"). PYITCIG owns the entire interest in Great Decision Limited ("GDL") which in turn owns the entire interest in Calisan. Accordingly, GDL, PYITCIG, PYBVI, Paul Y., Hollyfield, ITC, Galaxyway, Chinaview and Dr. Chan Kwok Keung, Charles were deemed to be interested in 804,400,000 shares of the Company which were held by Calisan.
2. Well Orient Limited ("WOL") is wholly-owned by Powervote Technology Limited ("PTL") which is in turn owned by Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics"). Hanny Magnetics is wholly-owned by Hanny. PTL, Hanny Magnetics and Hanny were deemed to be interested in 804,400,000 shares of the Company which were held by WOL.

Save as disclosed herein and so far as was known to any director of the Company, there was no person who was, directly or indirectly, interested in 10 percent or more of the issued share capital of the Company as at 31st December, 2000.

# Directors' Report

## CONNECTED TRANSACTIONS

1. On 15th August, 2000, Holroyd Assets Limited, a subsidiary of Company, entered into an agreement with 深圳經濟特區發展（集團）公司 Shenzhen Special Economic Zone Development (Group) Company ("SDGC") to dispose of certain properties held for sale to SDGC for a consideration of RMB13.3 million (equivalent to approximately HK\$12.6 million).

As SDGC is a substantial shareholder of a subsidiary of China Land, which is in turn a subsidiary of the Company, the transaction with SDGC constitutes a connected transaction under the Listing Rules.

2. Corporate guarantees were entered into on 16th November, 2000 and 1st December, 2000 by the Company in favour of Wing Hang Bank, Limited ("Bank") to the extent of HK\$19.5 million and HK\$32.5 million in respect of the overdraft facilities and bank loan of HK\$30 million and HK\$50 million granted by the Bank to Optima respectively. The overdraft of HK\$30 million was subsequently repaid and the corporate guarantee was accordingly released.
3. On 13th December, 2000, Acrow Limited ("Acrow"), a wholly-owned subsidiary of the Company, entered into a loan agreement with China Land, a 74.98% owned subsidiary of the Company, whereby Acrow agreed to provide a loan amounted to HK\$35,000,000 for the working capital of China Land. The loan was unsecured, bore interest at HK Dollars prime rate and was repayable within one year from the date of drawdown of the loan. At the date of this report, the loan was fully drawdown by China Land.
4. On 19th January, 2001, the Company through its wholly-owned subsidiary, Happy Access Limited, provided a loan of HK\$12,000,000 to China Land for its working capital. The loan was unsecured, bore interest at HK Dollars prime rate and was payable within two years from the date of drawdown of the loan. At the date of this report, the loan was fully drawdown by China Land.
5. A corporate guarantee was entered into on 15th February, 2001 by the Company in favour of the Bank to the extent of HK\$19.5 million in respect of the credit facilities of HK\$30 million granted by the Bank to Gold Brilliant. The corporate guarantee was subsequently released.
6. On 28th February, 2001, the Company entered the following connected transactions:
  - Diao Yu Tai (Holdings) Private Limited, a wholly-owned subsidiary of the Company, disposed of two vehicles at SG\$409,000 (equivalent to approximately HK\$1,826,000), being the fair market value of the two vehicles as valued by the Automobile Association of Singapore on 7th November, 2000.

As the purchaser of the two vehicles is an associate of Mr. Oei Hong Leong, who is an ex-director of the Company, the transaction constitutes a connected transaction under the Listing Rules.

## CONNECTED TRANSACTIONS (Continued)

- Ming Hung (Holdings) Limited, a wholly-owned subsidiary of China Land, entered into tenancy agreement with Gunnell Properties Limited and Cycle Company Limited (the "Landlords") in respect of the lease of premises located at 27/F, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong for a term of two years commencing from 1st March, 2001 to 28th February, 2003 both days inclusive at a monthly payment of HK\$193,558.

As the Landlords are wholly-owned subsidiaries of Paul Y., the transaction constitutes a connected transaction for the Company under the Listing Rules.

- The Landlords granted a licence to each of China Barter Trade.com Limited ("CBT"), China Industrial Investment Corporation Limited ("CIIC") and Huey Tai Holdings Limited ("HTH") for unrestricted access and use of certain facilities located at 33/F Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong for the period from 1st March, 2001 to 28th February, 2002 at a monthly licence fee of HK\$45,084.

As CBT is a wholly-owned subsidiary of the Company, CIIC is a wholly-owned subsidiary of China Land and HTH is a subsidiary of Sing Pao Media, the transactions constitute connected transactions of the Company under the Listing Rules.

7. On 5th March, 2001, Capital Passion Limited ("Capital Passion"), a wholly-owned subsidiary of the Company, entered into a loan agreement with China Land whereby Capital Passion agreed to lend Rmb17,500,000 to China Land for its working capital. The loan was unsecured and was repayable within two years from the date of drawdown of the loan. The loan bore interest at 6% per annum. At the date of this report, the loan was fully drawdown by China Land.

## CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31st December, 2000 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

## POST BALANCE SHEET EVENT

Details of the significant post balance sheet events are set out in note 44 to the financial statements.

## AUDITORS

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**Lien Kait Long**  
*EXECUTIVE DIRECTOR*

23rd April, 2001