

The directors present the audited accounts of the Company and its subsidiaries (together the “Group”) for the year ended 31st March, 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 34 to the accounts.

Analysis of the Group’s turnover and contribution to the (loss)/profit before taxation by principal activities and geographical regions is set out in note 2 to the accounts.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31st March, 2001 are set out in the consolidated profit and loss account on page 35.

The directors propose to declare a final dividend of 0.5 HK cent per share (2000: 1.0 HK cent per share) payable on or before 21st September, 2001 to shareholders whose names appear on the Company’s register of members on 28th August, 2001. No interim dividend has been declared in respect of the current financial year (2000: 1.0 HK cent per share). Total dividend for the year amounted to 0.5 HK cent per share (2000: 2.0 HK cents per share).

SUBSIDIARIES

Particulars regarding the principal subsidiaries of the Company are set out in note 34 to the accounts.

FIXED ASSETS

Movements in fixed assets during the year are set out in note 11 to the accounts.

SHARE CAPITAL AND SHARE OPTIONS

Details of share capital and share options of the Company are set out in note 21 to the accounts.

DONATIONS

Charitable donations made by the Group during the year amounted to HK\$3,716,986 (2000: HK\$ 2,204,713).

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in Bermuda being the jurisdiction in which the Company was incorporated.

SHARE PREMIUM AND RESERVES

Movements in share premium and reserves during the year are set out in note 22 to the accounts.

PARTICULARS OF PRINCIPAL PROPERTIES HELD BY THE GROUP

Particulars of principal properties held by the Group are set out on pages 90 to 95.

GROUP FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the five years ended 31st March, 2001 is shown on page 96.

DIRECTORS

The directors of the Company during the year and up to the date of this report are as follows:

Mr. Alan Chuang Shaw Swee

Mrs. Alice Siu Chuang Siu Suen

Mr. Bernard Ko Sheung Chi

Mr. Alfred Lai Che Keung (appointed on 1st February, 2001)

Mr. Wong Kwong Keung

Mr. Kwong Tin Lap (changed from executive director to non-executive director on 15th June, 2001)

Dr. Peter Po Fun Chan

Mr. David Chris Lee Tsung Hei

At the forthcoming annual general meeting, Mr. Alan Chuang Shaw Swee, Dr. Peter Po Fun Chan and Mr. Alfred Lai Che Keung will retire from office in accordance with the Company's Bye-laws and, being eligible, will offer themselves for re-election.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the respective share option schemes adopted by the Company and its associated corporations as detailed in "Directors' Interests" below, 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.

DIRECTORS' INTERESTS

As at 31st March, 2001, the interests of the directors of the Company in the securities of the Company and its associated corporations (as defined in the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”)) as recorded in the register kept by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Interests in shares of the Company

Name of director	Number of shares in the Company			Total
	Personal interests	Corporate interests	Other interests	
Alan Chuang Shaw Swee	—	435,038,006 <i>(Note 1)</i>	162,332,624 <i>(Note 2)</i>	597,370,630
Alice Siu Chuang Siu Suen	—	146,311,914 <i>(Note 3)</i>	162,332,624 <i>(Note 2)</i>	308,644,538
Peter Po Fun Chan	751,187	—	—	751,187

Interests in shares of associated corporations

Name of director	Number of shares in China Cyberworld Limited (“China Cyberworld”)			Total
	Personal interests	Corporate interests	Other interests	
Alan Chuang Shaw Swee	6,800,000	30,000,000 <i>(Note 3)</i>	—	36,800,000
Alice Siu Chuang Siu Suen	1,600,000	30,000,000 <i>(Note 3)</i>	—	31,600,000

Note 1: Such interests comprise 356,734,006 shares in the Company owned by Evergain Holdings Limited, a company beneficially owned by the director, which such shares represent more than 10% of the issued share capital of the Company. The remaining 78,304,000 shares in the Company are owned by a corporation which the director is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of such corporation.

Note 2: Such interests arose as a result of the relevant director being a discretionary object of a discretionary trust, the trustee of which held 162,332,624 shares in the Company.

Note 3: Such interests arose through the ownership of relevant securities by corporation(s) which the relevant director is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of this/these corporation(s).

As at 31st March, 2001, Mr. Alan Chuang Shaw Swee held 50 shares in Chuang's Development (Huian) Limited, a subsidiary of China Cyberworld. Mr. Alan Chuang Shaw Swee and Mrs. Alice Siu Chuang Siu Suen were also interested in 4,000,000 shares in Edenbiz Limited, a subsidiary of China Cyberworld, through the ownership of relevant securities by a corporation in which each of them is entitled to exercise or control the exercise of one third or more of the voting power in general meeting of this corporation.

As at 31st March, 2001, the interests of the directors of the Company under share options entitling them to subscribe for shares under the share option scheme of the associated corporation were as follows:

Name of director	Number of shares subject to options exercisable under the share option scheme of China Cyberworld
Alan Chuang Shaw Swee	10,200,000
Alice Siu Chuang Siu Suen	2,400,000
Bernard Ko Sheung Chi	6,000,000

During the year, none of the directors of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

Save as disclosed herein, as at 31st March, 2001, there was no other interest or right recorded in the register required to be kept under Section 29 of the SDI Ordinance or otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.