

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in notes 32(iii) and (iv) to the financial statements, no contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or any time during the financial year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the financial year.

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2001, the interests of the Directors in the equity or debt securities of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, or which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

INTERESTS IN ORDINARY SHARES IN THE COMPANY

Name of Director	Number of shares of HK\$0.01 each held			
	Personal interests	Family interests	Corporate interest	Other interests
Wong Chun Hung, Vincent ("Mr. Wong")	189,246,000	80,092,000	454,121,880 <i>(Note)</i>	—
Wong Fong Yee, Elisa	80,092,000	189,246,000	454,121,880 <i>(Note)</i>	—

Note: 454,121,880 shares were beneficially held by Vinlisa Trust (a discretionary trust of which Mr. Wong's family members, including Ms. Wong Fong Yee, Elisa, are beneficiaries) through St. Denis Limited.

Apart from the nominee shares in certain subsidiaries held by Mr. Wong in trust for the immediate holding company of those subsidiaries, none of the Directors held equity interests in any of the Company's subsidiaries.

Save as disclosed above, as at 31st March, 2001, none of the Directors or their respective associates had any personal, family, corporate or other beneficial interest in the equity or debt securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES

As at 31st March, 2001, certain Directors held share options granted to them under the share option scheme of the Company approved and adopted by the shareholders of the Company, entitling them to subscribe for shares of HK\$0.01 each in the Company upon exercise of their subscription rights as follows:

Name of Director	Number of options held on 1st April, 2000	Options granted during the year	Period during which option is exercisable (both dates inclusive)	Price per ordinary share payable on exercise of option HK\$	Number of options exercised during the year	Number of options held on 31st March, 2001
Wong Chun Hung, Vincent	12,000,000	—	1st December, 1998 to 30th November, 2008	0.177	—	12,000,000
	—	170,000,000	21st June, 2000 to 20th June, 2010	0.02	170,000,000	—
Wong Fong Yee, Elisa	22,000,000	—	1st December, 1998 to 30th November, 2008	0.177	—	22,000,000*
	—	70,000,000	21st June, 2000 to 20 June, 2010	0.02	70,000,000	—
Chu Wai Man, Raymond	—	120,000,000	18th May, 2000 to 17th May, 2010	0.036	—	120,000,000*

* Subsequent to the balance sheet date, these options either lapsed and/or will lapse by reason of the relevant Directors' resignation from the Company.

Note: The above share options were granted at a consideration of HK\$1 per grantee.

Details of the movements in share options granted by the Company during the financial year are set out in note 26 to the financial statements.

Save as disclosed above, at no time during the financial year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company or their respective spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2001, the register of substantial shareholders maintained by the Company under Section 16(1) of the SDI Ordinance showed that the following shareholders, other than the Directors or chief executives whose interests are disclosed above, had an interest in 10% or more of the nominal value of the issued share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company:

Name of shareholder	Number of shares of HK\$0.01 each held	Percentage of issued share capital
China United Holdings Limited	2,395,840,000	11.67%
E-online Trading Limited (“E-online”)	3,421,220,000	16.67%
vLink Global Limited (“vLink”) (<i>Note</i>)	3,421,220,000	16.67%

Note: This represents the deemed corporate interest of vLink in 3,421,220,000 shares in the Company held by E-online which is a wholly-owned subsidiary of vLink.

CONNECTED TRANSACTIONS

During the year, the Company had entered into the following connected transactions:

- (i) On 18th January, 2000, the Company entered into a conditional sale and purchase agreement (the “Disposal Agreement”) with Mr. Peng Xiongfa (“Mr. Peng”), the then Director of the Company, for the disposal of certain property interests and operations (the “Disposal”) located in the mainland of the People’s Republic of China (the “PRC”), to Mr. Peng for a cash consideration of HK\$9.8 million and non-cash consideration of HK\$5.4 million, which was conditional, inter alia, upon the transfer of titles of certain properties in the PRC (which was valued at HK\$5.4 million) to the Company or its nominee(s) at RMB1.

Details of the Disposal Agreement, as further amended by a supplemental agreement and a second supplemental agreement dated 29th March, 2000 and 5th July, 2000, respectively, are set out in a circular of the Company dated 26th February, 2000 and in announcements of the Company dated 18th January, 2000, 31st March, 2000 and 5th July, 2000. The Disposal Agreement, together with the supplemental agreements, were approved by the independent shareholders of the Company at a special general meeting of the Company held on 16th March, 2000.

Pursuant to a completion memorandum entered into between the Company and Mr. Peng dated 31st July, 2000 and as set out in an announcement of the Company dated 31st July, 2000, the completion of the Disposal occurred on 31st July, 2000.