

DIRECTORS' INTERESTS IN SHARES - continued**(b) Interest in 21CN CyberNet Corporation Limited ("21CN"):**

At 31 March 2001, Koon Wing Yee, Lui Yuk Chu and Tsang Yiu Kai are deemed to be holding a direct corporate interest in the shares of 21CN by virtue of their shareholdings in the Company. As at 31 March 2001, Touch Profits Limited, a wholly-owned subsidiary of the Company, holds 405,965,700 shares in 21CN.

No director held an interest in the securities of any subsidiaries of the Company or any of its associated corporations as defined in the SDI Ordinance as at 31 March 2001 except for the following:

- (a) certain nominee shares in subsidiaries held in trust for the Group; and
- (b) certain non-voting deferred shares in Wellmake Investments Limited, a subsidiary of the Company, held by the following directors:

Name of director	Number of non-voting deferred shares held
Koon Wing Yee	1
Lui Yuk Chu	1
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	2
	<hr style="width: 100%;"/>

Save as disclosed above, at 31 March 2001 none of the directors and chief executives, or their associates, had any interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

- (a) Pursuant to the Company's share option scheme which was approved at the special general meeting of the Company held on 10 January 1995, options were granted to the following directors to subscribe for shares of the Company:

A summary of the movements of the options granted to the directors of the Company during the year is as follows:

Name of director	Date of grant	Exercise price HK\$	Number of share options			
			At 1 April 2000	Granted during the year	Lapsed during the year	At 31 March 2001
Koon Wing Yee	18 June 1999	0.246	4,775,216	—	(4,775,216)	—
Lui Yuk Chu	18 June 1999	0.246	4,973,768	—	(4,973,768)	—
	10 November 2000	0.189	—	10,958,000	(10,958,000)	—
Tsang Yiu Kai	10 November 2000	0.189	—	10,958,000	(10,958,000)	—

No share options have been exercised by the directors during the year.

Details of the Company's share option scheme are set out in note 30 to the financial statements.

- (b) Koon Wing Yee was director of 21CN up to 23 August 2000, while Lui Yuk Chu and Tsang Yiu Kai were directors of 21CN up to 8 June 2000. 21CN has a share option scheme under which the directors of 21CN may at their discretion grant options to exercise directors and full time employees of 21CN and its subsidiaries to subscribe for shares of 21CN. Options granted under the scheme will entitle the holder to subscribe for shares of 21CN within ten years from the date the option is granted. The subscription price of the options shall be at a price equal to the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares of 21CN on the Stock Exchange on the five trading days immediately preceding the date of the offer to grant an option.

No share options have been granted to Koon Wing Yee, Lui Yuk Chu and Tsang Yiu Kai since the adoption of this scheme.

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 debt securities (including debentures), of the Company or any other body corporate.

On 10 April 2001, 10,958,000 share options were granted to each of Lui Yuk Chu and Tsang Yiu Kai at an exercise price of HK\$0.124 per share. In addition, 10,958,000 share options were granted to Lui Yuk Chu at an exercise price of HK\$0.135 per share on 19 July 2001.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of the directors, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital.

PURCHASE, SALE AND REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year.

POST BALANCE SHEET EVENTS

The details of the significant post balance sheet events are set out in note 43 to the financial statements.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 March 2001 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

DONATIONS

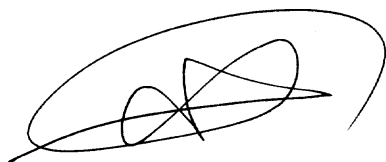
During the year, the Group made donations amounting to HK\$40,000.

AUDITORS

Messrs. Deloitte Touche Tohmatsu have acted as the auditors of the Company for the preceding three years.

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board



PRESIDENT AND CHIEF EXECUTIVE OFFICER

Hong Kong, 23 July 2001