

The directors present their annual report and the audited financial statements of the Group and the Company for the year ended 31st March, 2001.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The activities of the principal subsidiaries and associates, and a jointly controlled entity as at 31st March, 2001 are set out in notes 49 and 18 to the financial statements, respectively.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended 31st March, 2001 are set out in the consolidated income statement on page 29 of the annual report and in the accompanying notes to the financial statements.

The directors recommend the payment of a final dividend of 1.0 cent per share in scrip form with a cash option to shareholders whose names appear on the register of members on 10th October, 2001, amounting to approximately HK\$9,925,000. The recommended final dividend has been incorporated in the financial statements. The final dividend together with the interim dividend of 1.0 cent per share paid during the year, which was also in scrip form with a cash option, makes a total dividend of 2.0 cents per share for the year. Details of the dividends are set out in note 11 to the financial statements.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 37 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2001, the five largest customers and the single largest customer of the Group accounted for approximately 45% and 24% of the turnover of the Group, respectively. The aggregate purchases attributable to the five largest suppliers of the Group during the year were less than 30% of the purchases of the Group.

As far as the directors are aware, none of the directors, their associates, within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), or those shareholders which to the knowledge of the directors own more than 5% of the Company's share capital have an interest in any of the five largest customers of the Group for the year ended 31st March, 2001.

LIQUIDITY AND CAPITAL RESOURCES

The Group currently maintains a variety of credit facilities to meet its working capital requirements. As at 31st March, 2001, the Group's total borrowings amounted to approximately HK\$1,170,821,000 with approximately HK\$382,551,000 repayable within one year, approximately HK\$774,895,000 repayable between one to two years, approximately HK\$11,197,000 repayable between two to five years and approximately HK\$2,178,000 repayable after five years. Cash, bank balances and deposits at 31st March, 2001 amounted to approximately HK\$590,440,000. The Group's current ratio was 1.15 and the long term debts to equity ratio was 0.31 as at 31st March, 2001.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for each of the five years ended 31st March, 2001 is set out on page 86 of the annual report.

INVESTMENT PROPERTIES

The investment properties of the Group were revalued on 31st March, 2001 by an independent professional valuer on an open market value basis. The resulting deficit on revaluation of the properties amounting to approximately HK\$13,000,000 has been charged to the income statement.

Details of these and other movements in investment properties of the Group during the year are set out in note 13 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES HELD UNDER DEVELOPMENT

During the year, the Group spent approximately HK\$343,201,000 on plant and machinery to expand and upgrade its operating capacity. In addition, the carrying value of property, plant and equipment has been reduced by approximately HK\$1,828,524,000 as a result of the disposal and dilution of interests in subsidiaries.

The Group also incurred additional expenditure of approximately HK\$100,385,000 on properties held under development. These properties with an aggregate carrying value of approximately HK\$612,540,000 have been transferred to property, plant and equipment upon completion of the development.

Details of these and other movements in property, plant and equipment and properties held under development of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

MAJOR PROPERTIES

Particulars regarding major properties of the Group as at 31st March, 2001 are set out on page 87 of the annual report.

SUBSIDIARIES, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY

During the year, the following acquisition, disposal and dilution of interests in subsidiaries were made by the Group:

- (a) In June 2000, the Group disposed of its entire 100% equity interest in Unicon Industrial Group Limited to Star East Holdings Limited ("Star East") for an aggregate consideration of HK\$150,000,000. The consideration was satisfied by the issue of HK\$100,000,000 convertible note by Star East and the balance of HK\$50,000,000 was satisfied by cash.
- (b) In June and July 2000, the Group acquired the entire issued share capital of ConneCTel Limited ("ConneCTel") from Telecom Corporation of New Zealand and Downer Connect Pty Limited ("DCP") from ERG Limited of Australia for an aggregate consideration of approximately A\$67,068,000 (equivalent to approximately HK\$256,736,000), of which A\$36,100,000 (equivalent to approximately HK\$138,191,000) was satisfied by the issue of 55,538,461 new shares in Downer EDI Limited ("Downer") and the balance of A\$30,968,000 (equivalent to approximately HK\$118,545,000) was satisfied by cash. Pursuant to this transaction and, inter alia, the placing of new shares by Downer, the Group's equity interest in Downer was reduced to 61.0%.

ConneCTel is incorporated in New Zealand and is engaged in the provision of telecommunication maintenance, design and build services. DCP is incorporated in Australia and is engaged in the provision of telecommunications infrastructure services in Australia and New Zealand.

SUBSIDIARIES, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY *(Continued)*

(c) In November 2000, Downer made a voluntary conditional securities exchange offer ("Offer") to acquire the remaining 90.5% equity interest in Evans Deakin Industries Limited ("EDI"). Following the issue and allotment of new shares in Downer pursuant to the terms of the Offer, the Group's equity interest in Downer was further reduced to 44.6%.

EDI is principally engaged in the design, manufacture and maintenance of railway rollingstock and sugar milling equipment and the manufacture of the mechanical and electrical plant and crushing and fine particle separation equipment throughout Australia and other international locations.

Particulars of the principal subsidiaries and associates, and a jointly controlled entity as at 31st March, 2001 are set out in notes 49 and 18 to the financial statements, respectively.

SHARE CAPITAL AND WARRANTS

The rights attached to each of the warrants (the "2000 Warrants") to subscribe in cash at a price of HK\$0.72 each, subject to adjustment, for one new ordinary share of the Company expired on 22nd December, 2000 and the listing of the 2000 Warrants was withdrawn from the Stock Exchange at the close of business on 22nd December, 2000. Accordingly, approximately HK\$140,601,000 2000 Warrants lapsed on 22nd December, 2000.

Details of these and other movements in the issued share capital and in the warrants of the Company during the year are set out in notes 34 and 35 to the financial statements, respectively.

SHARE OPTIONS

Information on the Company's share option scheme is set out in note 36 to the financial statements.

BORROWINGS AND INTEREST CAPITALISED

During the year, the Group repurchased the 5% and 5.5% convertible bonds with an aggregate principal amount of US\$35,565,000 (equivalent to approximately HK\$275,095,000) and redeemed the remaining principal amount of US\$97,270,000 (equivalent to approximately HK\$752,384,000).

As at 31st March, 2001, the Group had an outstanding 6% secured convertible redeemable note which is redeemable on or before 17th April, 2001.

Details of the 5% and 5.5% convertible bonds and convertible notes are set out in notes 31 and 32 to the financial statements, respectively.

Bank overdrafts, loans and other borrowings repayable within one year or on demand are classified as current liabilities. Details of the obligations under finance leases and hire purchase contracts, bank borrowings and other loans of the Group as at 31st March, 2001 are set out in notes 28, 29 and 30 to the financial statements, respectively.

During the year, the Group capitalised borrowing costs of approximately HK\$9,202,000 in respect of properties held under development.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Chan Kwok Keung, Charles	(Chairman)
Lau Ko Yuen, Tom	(Deputy Chairman)
Chan Fut Yan	(Managing Director)
Chau Mei Wah, Rosanna	

Non-executive directors

George Colin Magnus	
Fok Kin Ning, Canning	
Ip Tak Chuen, Edmond	(also alternate director to Fok Kin Ning, Canning)
Cheung Ting Kau, Vincent	
Kwok Shiu Keung, Ernest	
Wong Kam Cheong, Stanley	

In accordance with Clauses 87(1) and 87(2) of the Company's bye-laws, Mr. Lau Ko Yuen, Tom and Ms. Chau Mei Wah, Rosanna retire by rotation, and are eligible for re-election, at the forthcoming annual general meeting.

The term of office of each non-executive director is the period from the date of appointment up to his retirement by rotation in accordance with the Company's bye-laws.

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SECURITIES

As at 31st March, 2001, the interests of the directors of the Company in the securities of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register kept 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 for Securities Transactions by Directors of Listed Companies in the Listing Rules (the "Model Code") were as follows:

Name of director	Nature of interest	Number of shares of the Company held	Number of shares of the Company to be issued upon exercise of the share options of the Company
Chan Kwok Keung, Charles	Corporate interest	406,066,015 (note)	–
	Personal interest	–	9,587,301
Lau Ko Yuen, Tom	Personal interest	–	14,587,301
Chan Fut Yan	Personal interest	–	14,587,301
Chau Mei Wah, Rosanna	Personal interest	–	15,687,301
Wong Kam Cheong, Stanley	Personal interest	30,000	–

DIRECTORS' INTERESTS IN SECURITIES (Continued)

Note: Dr. Chan Kwok Keung, Charles was deemed to be interested in 406,066,015 shares in the Company by virtue of his shareholding in Chinaview International Limited. Galaxyway Investments Limited, a wholly-owned subsidiary of Chinaview International Limited, owned more than one-third of the issued share capital of ITC Corporation Limited ("ITC") which in turn owned the entire issued share capital of ITC Investment Holdings Limited ("ITC Investment"). Hollyfield Group Limited, a wholly-owned subsidiary of ITC Investment, owned these shares.

Save as disclosed above, as at 31st March, 2001, none of the directors of the Company had any interests in any securities of the Company or any of its associated corporations, within the meaning of the SDI Ordinance, as recorded in the register kept 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Particulars of the share option scheme of the Company are set out in note 36 to the financial statements.

During the year, movements of share options granted by the Company to the directors of the Company to subscribe for shares in the Company were as follows:

Name of director	Notes	Date of grant	Exercise price per share HK\$	Number of shares to be issued upon exercise of the share options		
				Balance at 1.4.2000	Lapsed during the year	Balance at 31.3.2001
Chan Kwok Keung, Charles	(i)	27.8.1997	3.3042	9,587,797	(9,587,797)	–
	(ii)	18.12.1998	0.6048	9,587,301	–	9,587,301
Lau Ko Yuen, Tom	(i)	27.8.1997	3.3042	7,190,848	(7,190,848)	–
	(ii)	18.12.1998	0.6048	9,587,301	–	9,587,301
	(ii)	17.12.1999	0.5552	5,000,000	–	5,000,000
Chan Fut Yan	(i)	27.8.1997	3.3042	7,190,848	(7,190,848)	–
	(ii)	18.12.1998	0.6048	9,587,301	–	9,587,301
	(ii)	17.12.1999	0.5552	5,000,000	–	5,000,000
Chau Mei Wah, Rosanna	(i)	27.8.1997	3.3042	4,793,898	(4,793,898)	–
	(ii)	18.12.1998	0.6048	9,587,301	–	9,587,301
	(ii)	17.12.1999	0.5552	6,100,000	–	6,100,000

Notes:

- (i) The share options expired on 26th February, 2001.
- (ii) The share options can be exercised at any time during a period of three years commencing on the expiry of six months after the date of acceptance of the options.

The above directors did not exercise any of their options during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (Continued)

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, and none of the directors, chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Interests of directors of the Company in competing businesses as at 31st March, 2001 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

Name of director	Name of company	Nature of competing business	Nature of interest
Chan Kwok Keung, Charles	China Strategic Holdings Limited ("China Strategic") and its subsidiaries	Property business in Hong Kong and Mainland China	As the chairman of China Strategic (note 1)
	New World CyberBase Limited ("New World CyberBase") and its subsidiaries	Property business in Hong Kong (note 2)	As a director of New World CyberBase
Chan Fut Yan	China Land Group Limited ("China Land") and its subsidiaries	Property business in Hong Kong and Mainland China	As the vice chairman of China Land (note 3)
Chau Mei Wah, Rosanna	China Land and its subsidiaries	Property business in Hong Kong and Mainland China	As a director of China Land (note 4)
	China Strategic and its subsidiaries	Property business in Hong Kong and Mainland China	As a director of China Strategic (note 5)
	Certain subsidiaries of New World CyberBase	Property business in Hong Kong (note 2)	As a director of those subsidiaries of New World CyberBase
	Star East and its subsidiaries	Property business in Hong Kong and Mainland China	As the managing director of Star East

DIRECTORS' INTERESTS IN COMPETING BUSINESSES *(Continued)*

Name of director	Name of company	Nature of competing business	Nature of interest
Fok Kin Ning, Canning	Cheung Kong (Holdings) Limited ("Cheung Kong") <i>(note 7)</i>	Property development and investment, and hotel operation and management <i>(note 6)</i>	As a director of Cheung Kong
	Cheung Kong Infrastructure Holdings Limited ("Cheung Kong Infrastructure") <i>(note 7)</i>	Development, investment and operation of infrastructure business in Hong Kong, Mainland China and other countries in the Asia Pacific Region	As the deputy chairman of Cheung Kong Infrastructure
	Hutchison Whampoa Limited ("Hutchison Whampoa") <i>(note 7)</i>	Property development, investment and management, and hotel ownership, management, operation and related business <i>(note 6)</i>	As the group managing director of Hutchison Whampoa
Ip Tak Chuen, Edmond	Cheung Kong <i>(note 7)</i>	Property development and investment, and hotel operation and management <i>(note 6)</i>	As a director of Cheung Kong
	Cheung Kong Infrastructure <i>(note 7)</i>	Development, investment and operation of infrastructure business in Hong Kong, Mainland China and other countries in the Asia Pacific Region	As a director of Cheung Kong Infrastructure
Lau Ko Yuen, Tom	China Strategic and its subsidiaries	Property business in Hong Kong and Mainland China	As a director of China Strategic <i>(note 8)</i>
	New World CyberBase and its subsidiaries	Property business in Hong Kong <i>(note 2)</i>	As a director of New World CyberBase

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (Continued)

Name of director	Name of company	Nature of competing business	Nature of interest
George Colin Magnus	Cheung Kong (note 7)	Property development and investment, and hotel operation and management (note 6)	As the deputy chairman of Cheung Kong
	Cheung Kong Infrastructure (note 7)	Development, investment and operation of infrastructure business in Hong Kong, Mainland China and other countries in the Asia Pacific Region	As the deputy chairman of Cheung Kong Infrastructure
	Hutchison Whampoa (note 7)	Property development, investment and management, and hotel ownership, management, operation and related business (note 6)	As a director of Hutchison Whampoa
Wong Kam Cheong, Stanley	Asean Resources Holdings Limited ("Asean Resources") and its subsidiaries	Property development and investment, and hotel ownership (note 6)	As a director of Asean Resources

Notes:

1. Dr. Chan Kwok Keung, Charles was appointed as the chairman of China Strategic during the year.
2. New World CyberBase and its subsidiaries ceased to engage in property business in Mainland China during the year.
3. Mr. Chan Fut Yan was appointed as the vice chairman of China Land during the year.
4. Ms. Chau Mei Wah, Rosanna was appointed as a director of China Land during the year.
5. Ms. Chau Mei Wah, Rosanna was appointed as a director of China Strategic during the year.
6. The Group commenced its hotel and catering business during the year.
7. Such businesses may be made through its subsidiaries, associates or by way of other forms of investments.
8. Mr. Lau Ko Yuen, Tom was appointed as director of China Strategic during the year and resigned as a director after the year end.

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 businesses which competes or is likely to compete, either directly and indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Connected Transactions" below, no contracts of significance to which the Company or any of its 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.

CONNECTED TRANSACTIONS

(a) During the year, the Group entered into the following transactions with ITC and its associates:

Name of party	Nature of transactions	Amount HK\$'000
Dreyer and Company Limited	Purchase of building materials and related installation works by the Group	266
	Rentals and related building management fee charged by the Group	151
ITC Management Limited	Rentals and related building management fee charged by the Group	197

The above companies are associates, within the meaning of the Listing Rules, of ITC, a substantial shareholder of the Company. Dr. Chan Kwok Keung, Charles, Mr. Lau Ko Yuen, Tom, Mr. Chan Fut Yan and Ms. Chau Mei Wah, Rosanna, directors of the Company, are also directors of ITC.

(b) During the period from 1st April, 2000 to 16th February, 2001, the Group entered into the following transactions with Hutchison Whampoa and its associates:

Name of party	Nature of transactions	Amount HK\$'000
Anderson Asphalts Limited	Purchase of building materials and related installation works by the Group	211
Asia Stone Company, Limited	Purchase of concrete and related products by the Group	276
Bonntile Industries (H.K.) Limited	Purchase of building materials and related installation works by the Group	1,356
Consolidated Hotels Limited	Construction works charged by the Group	9,442
Green Island Cement Company Limited	Purchase of concrete and related products by the Group	3,161
Harbour Plaza Hotel Management (International) Limited	Construction works charged by the Group	158

CONNECTED TRANSACTIONS (Continued)

Name of party	Nature of transactions	Amount HK\$'000
Hongkong Electric Co. Limited	Construction works charged by the Group	484,299
Hongkong International Terminals Limited	Construction works charged by the Group	7,146
Hutchison Enterprises (Chong Qing) Limited	Construction works charged by the Group	4,470
Hutchison Estate Agents Limited	Construction works charged by the Group	23
Hutchison Global Crossing Limited	Construction works charged by the Group	428
Hutchison Telecommunications Limited	Construction works charged by the Group	66
Hutchison Whampoa	Construction works charged by the Group	269
Hutchison Whampoa Properties Limited	Construction works charged by the Group	15,503
Konus Investment Limited	Construction works charged by the Group	107,696
Marketon Investment Limited	Construction works charged by the Group	273,047
Promotal Limited	Construction works charged by the Group	281
Ready Mixed Concrete (H.K.) Limited	Purchase of concrete and related products by the Group	173,695
Turbo Top Limited	Construction works charged by the Group	120,092

CONNECTED TRANSACTIONS *(Continued)*

Contracts of construction works entered into with Hutchison Whampoa and its associates during the period from 1st April, 2000 to 16th February, 2001:

Name of party	Value of contract HK\$'000
Konus Investment Limited	951,000
Harbour Plaza Hotel Management (International) Limited	158
Promotal Limited	86
Hongkong Electric Co. Limited	302,990
Hutchison Whampoa Properties Limited	15,196
Hongkong International Terminals Limited	468
Hutchison Global Crossing Limited	428
Marketon Investment Limited	4,782

The above companies are associates, within the meaning of the Listing Rules, of Hutchison Whampoa, a substantial shareholder of a subsidiary of the Company, for the period from 1st April, 2000 to 16th February, 2001. Mr. Fok Kin Ning, Canning and Mr. George Colin Magnus, directors of the Company, are also directors of Hutchison Whampoa.

- (c) During the period from 1st April, 2000 to 19th January, 2001, the Group entered into the following transactions with Sing Pao Media Group Limited ("Sing Pao", formerly known as Huey Tai International Limited) and its associates:

Name of party	Nature of transactions	Amount HK\$'000
Ever Top Company Limited	Rentals and related building management fee charged by the Group	2,316

The above company is an associate, within the meaning of the Listing Rules, of Sing Pao, a substantial shareholder of the Company, for the period from 1st April, 2000 to 19th January, 2001. Mr. Wong Kam Cheong, Stanley, a director of the Company, was also a director of Sing Pao, prior to 13th February, 2001.

The independent non-executive directors confirm that the transactions were entered into by the Group in the ordinary course of its businesses and in accordance with the terms of the agreement, if any, governing such transactions.

The following transaction is disclosed pursuant to Rule 14.25(2) of the Listing Rules:

During the year ended 31st March, 2001, the Group advanced approximately HK\$11,946,000 to Hamker Concrete Products Limited ("Hamker") which is 70% owned by the Group for financing its operations. The advance is unsecured, bears interest at commercial rate and has no fixed terms of repayment. The advance made by the Group was the only financial assistance given by Hamker's shareholders to Hamker.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2001, according to the register of substantial shareholders maintained by the Company under Section 16(1) of the SDI Ordinance and so far as is known to the directors of the Company, the following shareholders had an interest of 10% or more in the issued share capital of the Company:

Name of shareholder	Number of ordinary shares of the Company held		Percentage of issued share capital	Notes
	Direct interest	Deemed interest	%	
Chan Kwok Keung, Charles	–	406,066,015	40.9	1
Chinaview International Limited	–	406,066,015	40.9	1
Galaxyway Investments Limited	–	406,066,015	40.9	1
ITC	–	406,066,015	40.9	1
ITC Investment	–	406,066,015	40.9	1
Hollyfield Group Limited	406,066,015	–	40.9	1
Chan Boon Ho, Peter	–	204,398,766	20.6	2
Chow Tai Fook Jewellery Company Limited	–	204,398,766	20.6	2
Chow Tai Fook Enterprises Limited	–	204,398,766	20.6	2
United Goal Development Limited	–	204,398,766	20.6	2
Asean Resources	–	204,398,766	20.6	2
Asean Resources Limited	–	204,398,766	20.6	2
Conington Limited	189,752,612	–	19.1	2

Notes:

- Hollyfield Group Limited, a wholly-owned subsidiary of ITC Investment, which was, in turn, a wholly-owned subsidiary of ITC, owned 406,066,015 shares in the Company. Galaxyway Investments Limited, a wholly-owned subsidiary of Chinaview International Limited, owned more than one-third of the issued share capital of ITC. Dr. Chan Kwok Keung, Charles owned the entire issued share capital of Chinaview International Limited. ITC Investment, ITC, Galaxyway Investments Limited, Chinaview International Limited and Dr. Chan Kwok Keung, Charles were all deemed to be interested in 406,066,015 shares in the Company.
- Conington Limited, a wholly-owned subsidiary of Asean Resources Limited, owned 189,752,612 shares in the Company. Asean Resources, through its wholly-owned subsidiary, Asean Resources Limited, was deemed to be interested in a total of 204,398,766 shares in the Company by virtue of its shareholdings in companies including, inter alia, Conington Limited of which it was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings. Asean Resources was a subsidiary of United Goal Development Limited, which was, in turn, equally owned by Mr. Chan Boon Ho, Peter and Chow Tai Fook Enterprises Limited. Chow Tai Fook Jewellery Company Limited was taken to have interests in Mr. Chan Boon Ho, Peter's interests in United Goal Development Limited under the SDI Ordinance. Asean Resources Limited, Asean Resources, United Goal Development Limited, Chow Tai Fook Enterprises Limited, Chow Tai Fook Jewellery Company Limited and Mr. Chan Boon Ho, Peter were all deemed to be interested in the 204,398,766 shares in the Company.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more in the issued share capital of the Company as at 31st March, 2001.

RETIREMENT BENEFIT SCHEMES

Information on the Group's retirement benefit schemes is set out in notes 4(b) and 43 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders although there are no restrictions against such rights under the laws of Bermuda.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year ended 31st March, 2001 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased certain of its convertible bonds and these convertible bonds were subsequently cancelled by the Company. Details of the repurchase are set out in note 31 to the financial statements.

Save as disclosed above, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities during the year.

DONATIONS

During the year, the Group made charitable and other donations of approximately HK\$106,000.

AUDITORS

Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Company for the past three years. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Chan Kwok Keung, Charles

Chairman

Hong Kong, 14th July, 2001