

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2001, the interests of the directors and chief executives of the Company in the 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 as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “SEHK”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the SEHK (the “Listing Rules”) were as follows:

Interests in the Company

Name	Personal Interests	Number of ordinary shares held			Total
		Family Interests	Corporate Interests	Other Interests	
Joseph J. Kim (<i>Note 1</i>)	37,996,566	—	—	—	37,996,566

Interests in Associated Corporations

Internet Capital Group, Inc.

Name	Personal Interests	Number of securities held			Total
		Family Interests	Corporate Interests	Other Interests	
Kenneth A. Fox (<i>Note 1</i>)	12,203,828	—	—	—	12,203,828
	common shares				common shares
	37,146	—	—	—	37,146
	warrants				warrants
Joseph J. Kim (<i>Note 1</i>)	375,000	—	—	—	375,000
	share options				share options (<i>Note 2</i>)
Samir Jadallah (<i>Note 1</i>)	50,000	—	—	—	50,000
	share options				share options (<i>Note 3</i>)
Samir Jadallah (<i>Note 1</i>)	1,860,000	—	—	—	1,860,000
	common shares				common shares
	350,000	—	—	—	350,000
	share options				share options (<i>Note 4</i>)

Other Information

Name	Personal Interests	Number of securities held			Total
		Family Interests	Corporate Interests	Other Interests	
Henry N. Nassau (Note 1)	1,679,050 common shares	320,000 common shares	—	—	1,999,050 common shares
	1,200 warrants	—	—	—	1,200 warrants
	825,000 share options	—	—	—	825,000 share options (Note 5)
Bruce W. Armstrong (Note 1)	150,000 common shares	—	—	—	150,000 common shares
	825,600 share options	—	—	—	825,600 share options (Note 6)

Notes:

1. Messrs Kenneth A. Fox, Joseph J. Kim, Samir Jadallah, Henry N. Nassau and Bruce W. Armstrong resigned as directors of the Company with effect from 2 August 2001.
2. All the share options were granted on 23 April 2001 and are exercisable from 23 April 2001 to 23 April 2011 at an exercise price of US\$2.09 each.
3. All the share options were granted on 11 May 2000 and are exercisable from 11 May 2000 to 11 May 2010 at an exercise price of US\$45.00 each.
4. The total of 350,000 share options consist of:
 - (i) 75,000 share options granted on 26 October 2000 and exercisable from 26 October 2000 to 26 October 2010 at an exercise price of US\$12.06 each;
 - (ii) 75,000 share options granted on 8 December 2000 and exercisable from 8 December 2000 to 8 December 2010 at an exercise price of US\$5.66 each; and
 - (iii) 200,000 share options granted on 21 December 2000 and exercisable from 21 December 2000 to 21 December 2010 at an exercise price of US\$3.03 each.
5. The total of 825,000 share options consist of:
 - (i) 75,000 share options granted on 26 October 2000 and exercisable from 26 October 2000 to 26 October 2010 at an exercise price of US\$12.0625 each;
 - (ii) 75,000 share options granted on 8 December 2000 and exercisable from 8 December 2000 to 8 December 2010 at an exercise price of US\$5.6562 each;

- (iii) 100,000 share options granted on 21 December 2000 and exercisable from 21 December 2000 to 21 December 2010 at an exercise price of US\$3.0312 each; and
 - (iv) 575,000 share options granted on 23 April 2001 and exercisable from 23 April 2001 to 23 April 2011 at an exercise price of US\$2.09 each.
6. The total of 825,600 share options consists of:
- (i) 200,000 share options granted on 10 April 2000 and exercisable from 10 April 2000 to 10 April 2010 at an exercise price of US\$64.00 each;
 - (ii) 125,600 share options granted on 4 May 2000 and exercisable from 4 May 2000 to 4 May 2010 at an exercise price of US\$39.5625 each;
 - (iii) 75,000 share options granted on 26 October 2000 and exercisable from 26 October 2000 to 26 October 2010 at an exercise price of US\$12.0625 each;
 - (iv) 75,000 share options granted on 8 December 2000 and exercisable from 8 December 2000 to 8 December 2010 at an exercise price of US\$5.6562 each;
 - (v) 200,000 share options granted on 21 December 2000 exercisable from 21 December 2000 to 21 December 2010 at an exercise price of US\$3.0312 each; and
 - (vi) 150,000 share options granted on 23 April 2001 and exercisable from 23 April 2001 to 23 April 2011 at an exercise price of US\$2.09 each.

Save as disclosed above, as at 30 June 2001, none of the directors or the chief executives of the Company had any personal, family, corporate or other interests in any securities of the Company or any of its associated corporations within the meaning of the SDI Ordinance and none of the directors or the chief executives nor any of 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 period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2001, the register of substantial shareholders maintained by the Company pursuant to section 16(1) of the SDI Ordinance showed that the following persons had an interest of 10% or more of the issued share capital of the Company:

Name of Shareholder	Number of ordinary shares
Internet Capital Group, Inc. ("ICGI") (Note 1)	3,073,276,588
Promising Land International Inc. ("Promising Land") (Notes 2 and 3)	750,750,000

Notes:

1. (i) ICGI indirectly owned all of the general partnership interests in 1999 Internet Capital L.P., and was thus taken to be interested in the 2,735,176,588 ordinary shares of the Company owned by 1999 Internet Capital L.P.
- (ii) 53,155,612 ordinary shares of the Company were held on behalf of, and 1,464,451 ordinary shares had been transferred to, certain persons employed by the Company and its subsidiaries (excluding those subsidiaries and divisions engaged in the toy operation and the property operation but including ICG Japan K.K.) in connection with their remuneration arrangements. ICGI indirectly owned approximately 78.6% of Asia Employment Company Limited (“Asia Employment”) and therefore was deemed to be interested in the ordinary shares of the Company owned by Asia Employment.
2. Promising Land is a wholly owned subsidiary of Hutchison International Limited (“HIL”), which in turn is a wholly owned subsidiary of Hutchison Whampoa Limited (“HWL”). As a result of the entering into an agreement dated 20 June 2001 amongst Promising Land, Reading Investments Limited (“Reading Investments”), 1999 Internet Capital L.P., Asia Employment and ICGI in connection with the voluntary conditional cash offers for all the issued ordinary shares and the outstanding warrants issued of the Company (the “Agreement”), the interests of Promising Land and HIL in the Company for the purpose of the SDI Ordinance were increased to 2,833,050,133 ordinary shares (representing approximately 50.5% of the issued share capital) of the Company.
3. As a result of the entering into of the Agreement by, inter alios, Promising Land, the interest of HWL in the Company for the purpose of the SDI Ordinance was increased to 2,983,050,133 ordinary shares (representing approximately 53.17% of the issued share capital) of the Company including the security interest of HWL over 150,000,000 ordinary shares of the Company created in its favour by Reading Investments and International Toys (B.V.I.) Limited pursuant to a charge executed by each of them on 9 March 2000 and amended by a supplemental deed dated 29 March 2000.
4. Li Ka-Shing Unity Holdings Limited (in which Mr Li Ka-shing owns its entire issued share capital) owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited (“TUTI”). TUTI as trustee of The Li Ka-Shing Unity Trust, together with certain companies in which TUTI as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings (the “Related Companies”), hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited (“CKH”). Certain subsidiaries of CKH together hold more than one-third of the issued share capital of HWL.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited (“TDTI”). TDTI as trustee of The Li Ka-Shing Unity Discretionary Trust holds a majority of units in The Li Ka-Shing Unity Trust.

By virtue of the interest in TDTI and TUTI through Li Ka-Shing Unity Holdings Limited, the interest in the shares of CKH held by TUTI as trustee of The Li Ka-Shing Unity Trust and its Related Companies, the interest of the subsidiaries of CKH in HWL, and the indirect interest of HWL in the ordinary shares in the Company as described above, Mr Li Ka-shing is taken to have an interest in the ordinary shares of the Company held by Promising Land and HWL under the SDI Ordinance.

On 12 July 2001, ICGI ceased to have an interest in the 3,073,276,588 ordinary shares of the Company as described above.

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

During the six months ended 30 June 2001, MegaVillage.com Holdings Limited, a then subsidiary of the Company, sold a total of 9,793,420 shares of the Company on the SEHK for an aggregate consideration of approximately \$7,550,000.

Save as disclosed above, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2001.

CORPORATE GOVERNANCE

With the exception that non executive directors (except two current non executive directors) had no specific term of office, none of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2001, in compliance with the Code of Best Practice as set out by the SEHK in Appendix 14 to the Listing Rules.