

# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and other details of the subsidiaries are set out in note 27 to the financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March, 2001 are set out in the consolidated income statement on page 20.

An interim dividend of HK2.6 cents per share amounting to HK\$8,079,002 was paid to the shareholders during the year. The directors recommend the payment of a final dividend of HK6 cents per share to the shareholders whose names appear on the register of members on 24 August, 2001 amounting to HK\$18,682,637, and the retention of the remaining profit for the year of HK\$51,689,470.

## RESERVES

Movements during the year in the reserves of the Group and the Company are set out in note 20 to the financial statements.

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 44.

## PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment during the year at an aggregate cost of approximately HK\$57,000,000 in order to increase its production capacity. Details of this and other movements during the year in the property, plant and equipment of the Group are set out in note 10 to the financial statements.

## SHARE CAPITAL

Details of the share capital of the Company are set out in note 18 to the financial statements.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## DIRECTORS

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

### **Executive directors:**

Mr. Suet Chai Kit, Christopher (*Chairman*)  
Mr. Lau Chin Hung  
Ms. Ng Wai Chi  
Mr. Suet Chai Hong

### **Non-executive director:**

Mr. Suet Che Hin

### **Independent non-executive directors:**

Mr. Tse Po Lau, Paul  
Mr. Wong Sun Fat

In accordance with Clause 169(2) of the Company's Bye-laws, Mr. Lau Chin Hung and Ms. Ng Wai Chi retire and, being eligible, offer themselves for re-election.

The term of office for each non-executive director is the period up to his retirement by rotation in accordance with the above Clause of the Company's Bye-laws.

## DIRECTORS' SERVICE CONTRACTS

No director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**DIRECTORS' INTERESTS IN SHARES**

**(i) Shares**

At 31 March, 2001, the interests of the directors and their associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Hong Kong Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Name of director	Number of shares held		
	Personal interests	Corporate interests	Other interests
Mr. Suek Chai Kit, Christopher	1,800,000	–	185,660,000 <i>(note 1)</i>
Mr. Lau Chin Hung	8,250,000	–	–
Ms. Ng Wai Chi	1,170,000	–	–
Mr. Suek Chai Hong	–	–	–
Mr. Suek Che Hin	–	19,120,000 <i>(note 2)</i>	–
Mr. Tse Po Lau, Paul	–	–	–
Mr. Wong Sun Fat	–	–	–

*Notes:*

1. These shares were beneficially owned by CNA Company Limited ("CNA") which in turn is beneficially owned by the CNA Trust, a discretionary trust whose objects include the children of Mr. Suek Chai Kit, Christopher.
2. These shares were beneficially owned by Goodhope Assets Limited, a company in which Mr. Suek Che Hin has a beneficial interest.

**DIRECTORS' INTERESTS IN SHARES** (cont'd)**(ii) Options**

The directors had personal interests in share options which entitle the holders to subscribe for shares in the Company at an exercise price of HK\$0.60 per share, exercisable on or before 24 April, 2002, as follows:

<b>Name of director</b>	<b>At 1 April, 2000</b>	<b>Granted during the year</b>	<b>Exercised during the year</b>	<b>At 31 March, 2001</b>
Mr. Suek Chai Kit, Christopher	–	11,900,000	–	11,900,000
Ms. Ng Wai Chi	–	9,000,000	–	9,000,000
Mr. Suek Chai Hong	–	9,000,000	–	9,000,000
	–	<u>29,900,000</u>	–	<u>29,900,000</u>

Details of the Company's share option scheme are set out in note 19 to the financial statements.

**(iii) Shares in subsidiaries**

At 31 March, 2001, CNA and Ms. Ng Wai Chi beneficially owned deferred non-voting shares in the following subsidiaries of the Company:

<b>Name of subsidiary</b>	<b>Name of owner</b>	<b>Number and par value of deferred non-voting shares</b>
Chung Tai Management Limited	CNA	2 shares of HK\$1 each
Chung Tai Printing (China) Company Limited	CNA	100 shares of HK\$100 each
Chung Tai Printing Company Limited	CNA	3,000 shares of HK\$100 each
Profit Link Investment Limited	CNA	2 shares of HK\$1 each
The Greatime Offset Printing Company, Limited	Ng Wai Chi CNA	500 shares of HK\$100 each 9,500 shares of HK\$100 each

The rights and restrictions of such deferred non-voting shares are set out in note 27 to the financial statements.

#### **DIRECTORS' INTERESTS IN SHARES** *(cont'd)*

Save as disclosed above and other than certain nominee shares in subsidiaries held in trust for the Group by a director, at 31 March, 2001, none of the directors or chief executives, nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors or the chief executives, nor 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.

#### **ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES**

The directors are eligible to participate in the Company's share option scheme, details of which are set out in note 19 to the financial statements.

Other than as disclosed in directors' interests in shares above, at no time during the year was the Company, its holding 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 IN CONTRACTS OF SIGNIFICANCE**

No contracts of significance to which the Company, its holding 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.

#### **SUBSTANTIAL SHAREHOLDER**

Save for Mr. Suet Chai Kit, Christopher's interests in the shares of the Company referred to above, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses no person as having an interest in 10 percent or more of the issued share capital of the Company as at 31 March, 2001.

#### **COMPLIANCE WITH CODE OF BEST PRACTICE**

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 of Hong Kong Limited.

#### **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

**AUDITORS**

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

On behalf of the Board

**Suek Chai Kit, Christopher**  
*Chairman*

Hong Kong, 20 July, 2001