

The directors herein present their report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2002.

Change of company name

Pursuant to a special resolution passed on 31 May 2002 and approved by the Registrars of Companies of Bermuda and Hong Kong on 6 June 2002 and 13 June 2002, respectively, the name of the Company was changed from Gemzboh Holdings Limited to Titan (Holdings) Limited.

Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 16 to the financial statements. During the year, the Group has commenced the provision of oil transportation services. Apart from the above, there were no significant changes in the nature of the principal activities of the Group during the year.

Results and dividends

The profit of the Group for the year ended 31 December 2002 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 26 to 64.

The directors do not recommend the payment of any dividend in respect of the year.

Summary financial information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the annual reports of the Company and reclassified as appropriate, is set out on page 65 of the annual report. This summary does not form part of the audited financial statements.

Fixed assets and investment property

Details of movements in the fixed assets and investment property of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

Share capital and share options

Details of movements in the share capital and share options of the Company during the year, together with the reasons therefor, are set out in notes 23 and 24 to the financial statements, respectively.

Pre-emptive rights

There are no provisions for pre-emptive rights under the bye-laws of the Company or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Report of the Directors

Purchase, redemption or sale of listed securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 25 to the financial statements and in the consolidated summary statement of changes in equity, respectively.

Distributable reserves

At 31 December 2002, the Company had distributable reserves of approximately HK\$51,992,000. Under the laws of Bermuda, the share premium of the Company of approximately HK\$190,991,000 as at 31 December 2002 may be distributed in the form of fully paid bonus shares.

Major customers and suppliers

During the year, sales to the five largest customers of the Group accounted for 67% of the total sales for the year and the sales to the largest customer included therein amounted to 25%.

Purchases from the five largest suppliers of the Group accounted for 70% of the total purchases for the year and the purchases from the largest supplier included therein amounted to 30%.

None of the directors of the Company, any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the issued share capital of the Company) had any beneficial interest in the five largest customers or the five largest suppliers of the Group.

Directors

The directors during the year were as follows:

Executive directors

Mr. Tsoi Tin Chun	(appointed on 2 May 2002)
Mr. Tsoi Kwing Ming	
Mr. Lu Ping Lang	(appointed on 2 May 2002)
Mr. Zheng Dun Xun	(appointed on 17 October 2002)
Mr. Leung Kam Pui	(resigned on 2 May 2002)
Ms. Tsoi Lai Na	(resigned on 2 May 2002)

Non-executive director

Mr. Cheong Soo Kiong	(appointed on 2 May 2002)
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Independent non-executive directors

Mr. Wong Kong Hon	(appointed on 2 May 2002)
Mr. Zheng Dun Xun	(appointed on 2 May 2002 and resigned on 17 October 2002)
Mr. Liu Hongru	(appointed on 17 October 2002)
Mr. Sze Kin Sun	(resigned on 2 May 2002)
Mr. Wong Ming Yeung	(resigned on 2 May 2002)

Messrs, Tsoi Tin Chun, Lu Ping Lang, Zheng Dun Xun, Cheong Soo Kiong, Wong Kong Hon, and Liu Hongru will retire and offer themselves for re-election at the forthcoming annual general meeting.

Independent non-executive directors are not appointed for specific terms as all of the directors, without limitation to independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting, in accordance with the Company's bye-laws.

Biographical details of the directors and senior management

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 16 to 18 of the annual report.

Directors' service contracts

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

Directors' interests in contracts

No director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the year.

Report of the Directors

Directors' interests in shares

At 31 December 2002, the interest of a director in the issued share capital of the Company or its associated corporation, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Name of director	Number of shares held and nature of interest Corporate
Mr. Tsoi Tin Chun	1,800,500,000

Note: These shares are owned by Great Logistics Holdings Limited ("Great Logistics"). Mr. Tsoi Tin Chun is deemed to be interested in the voting shares of Great Logistics as a result of his holdings in Titan Oil Pte. Ltd. ("Titan Oil"), the ultimate holding company of Great Logistics. Great Logistics' issued share capital is beneficially and wholly owned by Titan Oil, which is in turn owned as to 95% by Mr. Tsoi Tin Chun and as to 5% by Ms. Tsoi Yuk Yi, the spouse of Mr. Tsoi Tin Chun.

Save as disclosed above, none of the directors, chief executives or their associates had any personal, family, corporate or other interests in the equity securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

The interests of the directors in the share options of the Company are separately disclosed in note 24 to the financial statements.

Directors' rights to acquire shares or debentures

Apart from as disclosed under the heading "Directors' interests in shares" above and in the share option scheme disclosures in note 24 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or their respective spouse or children under 18 years of age to acquire such rights in any other corporate.

Share option scheme

Due to the adoption during the year of Hong Kong Statement of Standard Accounting Practice 34 "Employee benefits", most of the detailed disclosures relating to the Company's share option scheme have been moved to note 24 to the financial statements.

Substantial shareholders

At 31 December 2002, the following interest of 10% or more of the issued share capital of the Company was recorded in the register of interests in shares required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of shares held	Percentage of holding
Great Logistics	1,800,500,000#	51

The shareholding is duplicated in the disclosure in the "Directors' interests in shares" section above.

Save as disclosed above, no persons had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

Directors' interests in competing business

During the year and up to date of this report, no director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, other than those business of which the directors were appointed as directors to represent the interest of the Company and/or the Group.

Post balance sheet event

Details of the significant post balance sheet event of the Group are set out in note 31 to the financial statements.

Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company were not appointed for specific terms, but are subject to retirement by rotation and re-election in accordance with the Company's bye-laws.

Audit committee

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises two of the independent non-executive directors of the Company.

Report of the Directors

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Tsoi Tin Chun

Chairman

Hong Kong

23 April 2003