

Report of the Directors

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries consisted of the manufacturing and trading of plastic products. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS

The Group's profit for the year ended 31 March 2003 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 28 to 80.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years.

Results

	Year ended 31 March				
	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000
TURNOVER	313,820	267,752	346,576	523,119	1,152,964
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	27,004	(65,795)	(282,804)	(87,119)	(67,721)
Finance costs	(18,179)	(30,188)	(27,968)	(32,659)	(43,571)
Share of profits and losses of jointly-controlled entities	2,070	(237)	(129)	(131)	(202)
PROFIT/(LOSS) BEFORE TAX	10,895	(96,220)	(310,901)	(119,909)	(111,494)
Tax	(248)	-	(9,099)	88	(2,551)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	10,647	(96,220)	(320,000)	(119,821)	(114,045)
Minority interests	(8)	13	(84)	(583)	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	10,639	(96,207)	(320,084)	(120,404)	(114,045)

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SUMMARY FINANCIAL INFORMATION (Cont'd)

Assets, Liabilities and Minority Interests

	At 31 March				
	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000
Fixed assets	159,088	170,607	205,900	350,832	356,129
Investment properties	-	2,180	19,040	26,000	26,765
Interests in jointly-controlled entities	15,112	10,848	18,052	26,081	47,556
Long term investments	3,150	3,150	3,400	9,689	20,444
Prepaid rentals	8,606	10,849	13,244	-	-
Deferred pre-operating expenses	-	-	-	-	703
Current assets	97,498	85,903	112,842	222,198	409,515
Total assets	283,454	283,537	372,478	634,800	861,112
Current liabilities	(132,203)	(311,980)	(315,100)	(286,667)	(392,700)
Long term portion of finance lease payables	(2,694)	(3,683)	-	(7,356)	(16,660)
Long term portion of bank and other borrowings	(75,433)	(28,996)	(20,202)	(75,433)	(90,654)
Convertible bonds	(90,415)	-	-	-	-
Total liabilities	(300,745)	(344,659)	(335,302)	(369,456)	(500,014)
Minority interests	(13,216)	(14,505)	(15,985)	(17,332)	(32,972)
	(30,507)	(75,627)	21,191	248,012	328,126

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group during the year are set out in notes 13 and 14 to the financial statements, respectively.

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SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 28 and 29 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.

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 Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2003, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda (as amended), the Company's contributed surplus of HK\$159,393,000 is currently not available for distribution. The Company's share premium account, in the amount of HK\$146,585,000, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 45% of the total sales for the year and sales to the largest customer included therein amounted to 20%. Purchases from the Group's five largest suppliers accounted for 55% of the total purchases for the year and purchases from the largest supplier included therein amounted to 26%.

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

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DIRECTORS

The directors of the Company during the year were:

Executive directors:

Tang Kuan Chien

Chang Bin Lin

Wong Chi Chung

(appointed on 17 October 2002)

Wong Chak Ming, William

(resigned on 2 July 2002)

Chan Ying Kay, Keith

(resigned on 31 March 2003)

Wong Lap Wai, Tony

(alternate director to Mr. Wong Chak Ming, William,
resigned on 2 July 2002)

Independent non-executive directors:

Tsui Che Yin, Frank

Hung, Shean-I

In accordance with clauses 86(2) and 87 of the Company's bye-laws, Mr. Wong Chi Chung and Mr. Hung, Shean-I will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 11 to 13 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 material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

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DIRECTORS' INTERESTS IN SHARES

At 31 March 2003, the interests of the directors in the share capital of the Company or its associated corporations, 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:

Director	Number of shares held in the Company and nature of interest	
	Personal	Corporate
Tang Kuan Chien	3,598,000	757,235,092

The corporate interest shares are held as to 235,065,000 by Bestway Development Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Tang Kuan Chien, and as to 522,170,092 shares by Best Online Limited, a company incorporated in the British Virgin Islands and wholly owned by Ms. Wang Ya Chin, the spouse of Mr. Tang.

The interests of the directors in the share options of the Company are separately disclosed in note 29 to the financial statements.

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in note 29 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 directors 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 subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

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SHARE OPTION SCHEME

Due to the adoption of Statement of Standard Accounting Practice No. 34 "Employee benefits" during the year, the detailed disclosures relating to the Company's share option scheme are now set out in note 29 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

At 31 March 2003, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Shareholders	Number of shares held	Percentage of the Company's issued share capital
Wang Ya Chin	760,833,092	26.68
Best Online Limited	522,170,092	18.31

Note:

The interests of Ms. Wang Ya Chin include the 522,170,092 shares held by Best Online Limited, a company incorporated in the British Virgin Islands and is wholly owned by Ms. Wang, and the personal and corporate interests of Mr. Tang Kuan Chien as disclosed under the heading "Directors' interests in shares" above.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the accounting year covered by the annual report, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's bye-laws.

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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 Group's financial reporting process and internal controls. The audit committee comprises the two independent non-executive directors of the Company, and meets at least twice annually to perform its duties.

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

Tang Kuan Chien

Chairman

Hong Kong

9 July 2003