

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March, 2003.

Principal Activities

The Company is 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, 2003 are set out in the consolidated income statement on page 19.

An interim dividend of HK2.8 cents per share amounting to HK\$9,303,764 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 22 August, 2003 amounting to HK\$19,936,637, and the retention of the remaining profit for the year of HK\$25,878,458.

Property, Plant and Equipment

The Group acquired property, plant and equipment during the year at an aggregate cost of approximately HK\$51 million 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 11 to the financial statements.

Share Capital

Details of movements in the share capital of the Company during the year are set out in note 19 to the financial statements.

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

Distributable Reserves

As at 31 March, 2003, the reserves of the Company available for distribution to shareholders were HK\$198,940,662, being the contributed surplus of HK\$19,782,427 and the retained profits of HK\$179,158,235.

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 46.

Directors

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

Executive directors:

Dr. Suek Chai Kit, Christopher (*Chairman*)

Ms. Ng Wai Chi

Mr. Suek Chai Hong

Mr. Lau Chin Hung (resigned on 31 December, 2002)

Non-executive director:

Mr. Suek Che Hin

Independent non-executive directors:

Mr. Tse Po Lau, Paul

Mr. Wong Sun Fat

Mr. Chan Kwing Choi, Warren

In accordance with Clause 169(2) of the Company's Bye-laws, Mr. Tse Po Lau, Paul and Mr. Wong Sun Fat 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 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' Report

Directors' Interests in Shares

(i) Shares

At 31 March, 2003, 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 ordinary shares held			Total	Shareholding (%)
	Personal interests	Corporate interests	Other interests		
Dr. Suek Chai Kit, Christopher	13,700,000	—	185,660,000 <i>(Note 1)</i>	199,360,000	60.00
Ms. Ng Wai Chi	10,170,000	—	—	10,170,000	3.06
Mr. Suek Che Hin	—	19,120,000 <i>(Note 2)</i>	—	19,120,000	5.75

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 Dr. 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 (Continued)

(ii) Shares in subsidiaries

At 31 March, 2003, CNA and Ms. Ng Wai Chi beneficially owned deferred non-voting shares in the following subsidiaries of the Company:

Name of subsidiary	Name of owner	Number and par value of deferred non-voting shares
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.

Other than as disclosed above and in the section headed "Share Option Scheme" below, at no time during the year was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the directors or chief executive of the Company or the spouse or children under 18 years of age of such director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate or had exercised any such rights.

Directors' Report

Share Option Scheme

Particulars of the Company's share option scheme (the "Option Scheme") are set out in note 23 to the financial statements.

The following table discloses movements in the Company's share options held by directors during the year.

Name of director	Date of grant	Number of options				Exercisable period	Exercise price per share HK\$	Closing market price
		Outstanding as at 1 April, 2002	Exercised during the year	Lapsed during the year	Outstanding as at 31 March, 2003			prior to the granting of options HK\$
Dr. Suek Chai Kit,								
Christopher	26.4.2000	11,900,000	11,900,000	—	—	26.4.2000 to 25.4.2002	0.60	0.75
Ms. Ng Wai Chi	26.4.2000	9,000,000	9,000,000	—	—	26.4.2000 to 25.4.2002	0.60	0.75
Mr. Suek Chai Hong	26.4.2000	9,000,000	—	9,000,000	—	26.4.2000 to 25.4.2002	0.60	0.75
		29,900,000	20,900,000	9,000,000	—			

The Option Scheme expired on 16 August, 2002 and no new option scheme was adopted for the year ended 31 March, 2003.

There were no options granted to the directors and employees during the year.

Directors' Interests in Contracts

Other than as disclosed in note 26 to the financial statements, no contracts of significance to which the Company, its ultimate holding company, any subsidiaries of its ultimate holding company 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 Transaction

Details of the discloseable connected transaction for the year are set out in note 26 to the financial statements.

Other than as disclosed therein, there were no transactions which needed to be disclosed as connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Substantial Shareholder

Save for Dr. Suek Chai Kit, Christopher's interests in the shares of the Company referred to in the section headed "Directors' Interests in Shares" 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% or more in the issued share capital in the Company as at 31 March, 2003.

Corporate Governance

In the opinion of the directors, the Company has complied throughout the year ended 31 March, 2003 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 of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Major Customers and Suppliers

During the year, the largest customer of the Group by itself and together with the next four largest customers accounted for about 9% and 30% respectively of the Group's turnover.

The largest supplier of the Group by itself and together with the next four largest suppliers accounted for about 15% and 36% respectively of the Group's purchases.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers or suppliers.

Auditors

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

Dr. Suek Chai Kit, Christopher

Director

Hong Kong, 18 July, 2003