

The Directors submit their report and the audited financial statements for the year ended 31st March, 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property investment and those of its subsidiaries are shown in note 37 to the financial statements on pages 55 to 56.

Further information on the segmental details is provided in note 4 of the financial statements on pages 32 to 33.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st March, 2003 are set out in note 37 to the financial statements on pages 55 to 56.

RESULTS & APPROPRIATIONS

The results of the Group for the year ended 31st March, 2003 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 19 to 57.

DIVIDENDS

No interim dividend was paid during the year. The Directors now recommend the payment of a final dividend of HK2.5 cents per share in respect of the financial year ended 31st March, 2003, payable on 6th September, 2003 to Shareholders on record as at 30th August, 2003.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 60.

RESERVES

Movements in reserves during the year are set out in note 26 to the financial statements on pages 48 and 49.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 13 to the financial statements on pages 40 and 41.

BANK LOANS AND OVERDRAFTS

Particulars of all bank loans and overdrafts of the Group at 31st March, 2003 repayable on demand or within a period not exceeding one year and those which fall due for repayment after a period of one year are set out in note 24 to the financial statements on page 46.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales for the year attributable to the major suppliers and customers respectively were as follows:

| | |
|--|-----|
| Percentage of purchases attributable to the Group's largest supplier | 30% |
| Percentage of purchases attributable to the Group's five largest suppliers | 55% |
| Percentage of sales attributable to the Group's largest customer | 11% |
| Percentage of sales attributable to the Group's five largest customers | 35% |

None of the Directors or their associates, nor does any Shareholder owning (to the knowledge of the Directors) more than 5% of the Company's issued share capital hold, any interests in the share capital of the suppliers and customers noted above.

DIRECTORS

The Directors of the Company during the year were:

Chua Nai Tuen
Chua Nai King
Se Ying Kin
Siy Yap
Jimmy Siy Tiong
Luis Chua
Rene Siy Chua
Tsai Han Yung
Chan Man Hon, Eric*
James L. Kwok*

* *Independent Non-executive Directors*

In accordance with Article 107(A) of the Company's Articles of Association, Messrs. Chua Nai Tuen, Rene Siy Chua and Chan Man Hon, Eric shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

None of the Directors has a service contract with the Company or its subsidiaries, which is not determinable by the employer within one year without payment of compensation.

COMPLIANCE WITH CODE OF BEST PRACTICE

Throughout the year, save that the Non-executive Directors have not been appointed for a specific term but are subject to retirement by rotation, the Company has complied with the Code of Best Practice set out by The Stock Exchange of Hong Kong Limited.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31st March, 2003, the interests of the Directors and their associates in the share capital of the Company and its associated corporations as defined in the Securities (Disclosure of interests) Ordinance (the "SDI Ordinance") were as follows:

| | Number of shares held | | | |
|--|-----------------------|------------------|---------------------|--------|
| | Personal Interests | Family Interests | Corporate Interests | |
| (a) The Company | | | | |
| (Ordinary shares of HK\$1.00 per share) | | | | |
| Chua Nai Tuen | 2,475 | – | 65,145,495 | (Note) |
| Chua Nai King | 340,402 | 680,803 | 2,558,514 | (Note) |
| Jimmy Siy Tiong | 9,487,368 | – | – | |
| Siy Yap | 7,950,061 | 1,537,305 | – | |
| Luis Chua | 8,696,754 | – | – | |
| Se Ying Kin | 549,036 | 5,655,085 | – | |
| Rene Siy Chua | 8,696,754 | – | – | |
| Tsai Han Yung | 6,512,754 | – | – | |
| (b) Full Safe Industries Limited | | | | |
| (Ordinary shares of HK\$1.00 each) | | | | |
| Chua Nai Tuen | – | – | 20,000 | (Note) |
| (c) Nan Sing Plastics Limited | | | | |
| (Ordinary shares of HK\$100.00 each) | | | | |
| Chua Nai Tuen | – | 6,900 | – | |
| (d) Titan Dragon Properties Corporation | | | | |
| (Capital stock of Philippines Peso 1,000.00 each) | | | | |
| Chua Nai Tuen | 4,000 | 12,000 | 4,000 | (Note) |
| Rene Siy Chua | 3,200 | – | – | |
| Tsai Han Yung | 400 | – | – | |

DIRECTORS' INTERESTS IN SHARE CAPITAL (Cont'd)

Note: The shares regarding 'Corporate Interests' in which Messrs. Chua Nai Tuen and Chua Nai King were taken to be interested as stated above were the interests of corporations in general meetings of which they were either entitled to exercise (or were taken under the SDI Ordinance to be able to exercise) or control the exercise of one-third or more of the voting power.

Save as disclosed above, no interests were held or deemed or taken (under the SDI Ordinance) to be held by any Directors or Chief Executives of the Company in any equity or debt securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) as at 31st March, 2003. Furthermore, during or prior to the year under review, no right was granted to and no right or warrant was held by any Directors or Chief Executives of the Company or any of their spouses or children under eighteen years of age to subscribe for equity or debt securities of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st March, 2003, J & N International Limited had registered interests of 48,306,189 ordinary shares in the share capital of the Company as recorded in the register maintained under Section 16(1) of the SDI Ordinance.

The above information has been set out solely in order to comply with the requirements of the SDI Ordinance. For the avoidance of doubts and double counting, it should be noted that these interests are entirely duplicated with Mr. Chua Nai Tuen's interests as recorded in the preceding note. Save as stated above, no person had registered interests in more than 10% of the issued share capital of the Company at 31st March, 2003.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, consultancy fees of HK\$2,796,332 were paid by the Group to Sonliet Investment Company Limited ("Sonliet"), Rolling Development Limited ("Rolling") and Holytex Investment Company Limited ("Holytex") of which Messrs. Chua Nai Tuen and Chua Nai King were the directors of Sonliet and Rolling respectively and Mr. Se Ying Kin was the manager of Holytex.

Apart from the foregoing, no contracts of significance to which the 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.

MANAGEMENT CONTRACTS

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDITORS

The financial statements now presented have been audited by Messrs. K. L. Young & Company who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Chua Nai Tuen

Managing Director

Hong Kong, 18th July, 2003