

The Directors present their annual report and the audited financial statements of the Company from 18th March 2002 to 30th April 2003 and of the Group for the year ended 30th April 2003.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 18th March 2002.

Pursuant to a reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 26th November 2002.

Details of the reorganisation are set out in the prospectus of the Company dated 29th November 2002.

The shares of the Company were listed on the Stock Exchange with effect from 18th December 2002.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its subsidiaries are set out in note 31 to the financial statements.

RESULTS

The results of the Group for the year ended 30th April 2003 are set out in the consolidated income statement on page 18.

DIVIDENDS

An interim dividend of HK1 cent per share amounting to HK\$3,750,000 has been paid to the shareholders during the year.

The Directors recommend the payment of a final dividend of HK3 cents per share to the shareholders on the register of members on 29th September 2003, amounting to HK\$11,250,000, and the retention of the remaining profit for the year of HK\$126,840,000.

Upon approval by the shareholders at the forthcoming annual general meeting, the final dividend will be payable on or before 28th October 2003 whose names appear on the Register of Members of the Company on 29th September 2003.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired land and buildings at a cost of approximately HK\$8,216,000.

During the year, the construction in progress amounting to HK\$33,927,000 has completed and reclassified to moulds and leasehold land and buildings.

The Group continued its plant replacement policy and expended HK\$12,767,000 on new plant, machinery and equipment during the year.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of movements during the period in the share capital of the Company are set out in note 22 to the financial statements.

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

MAJOR CUSTOMERS AND SUPPLIERS

Since the Group has a very wide customer base, the aggregate sales attributable to the Group's five largest customers were less than 20% of the Group's total turnover for the year.

The Group's five largest suppliers together accounted for less than 30% of the total purchases for the year.

At no time during the period did a director, an associate of a director or any shareholder (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 suppliers.

DIRECTORS

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

Executive Directors:

Yeung Kui Wong, <i>Chairman</i>	(appointed on 18th April 2002)
Hung Kwok Wa	(appointed on 18th April 2002)
Lai Wing Chuen	(appointed on 18th April 2002)

Independent Non-Executive Directors:

Luo Ben Jin	(appointed on 23rd April 2002)
Lau Tai Chim	(appointed on 26th April 2002)

In accordance with the provisions of the Company's Articles of Association, Mr. Hung Kwok Wa retire by rotation and, being eligible, offer himself for re-election.

No Director 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

As at 30th April 2003, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive was taken or deemed to have under such provisions of SFO and have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which have been notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of shares	Percentage
Yeung Kui Wong	Corporate	210,000,000 (note 1)	56%
Yeung Kui Wong	Corporate	56,250,000 (note 2)	15%
Hung Kwok Wa	Corporate	15,000,000 (note 3)	4%

Notes:

- (1) The ordinary shares of the Company are held in the name of Imperial Profit Enterprises Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Yeung Kui Wong. Under the SFO, Mr. Yeung Kui Wong is deemed to be interested in all the shares registered in the name of Imperial Profit Enterprises Limited.
- (2) The ordinary shares of the Company are held in the name of Primer Capital Investments Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Yeung Kui Wong. Under the SFO, Mr. Yeung Kui Wong is deemed to be interested in all the shares registered in the name of Primer Capital Investments Limited.
- (3) The ordinary shares of the Company are held in the name of Top Network Profits Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Hung Kwok Wa. Under the SFO, Mr. Hung Kwok Wa is deemed to be interested in all the shares registered in the name of Top Network Profits Limited.

All the interests stated above represent long positions.

Save as disclosed above, as at 30th April 2003, none of the Directors and chief executive of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company pursuant to the above mentioned Model Code of the Listing Rules.

Subsequent to the balance sheet date, the total deemed corporate interests of Mr. Yeung Kui Wong reduced to 68.07% following the disposal of 11,000,000 shares of the Company by Primer Capital Investments Limited on 19th June 2003.

SHARE OPTION

Particulars of the Company's share option scheme is set out in note 23 to the financial statements.

No option has been granted under the Company's share option scheme since its adoption.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than disclosed under "Share Option" above, at no time during the year was the Company, its holding company or 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, and neither the directors nor the chief executive, nor any of 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, its holding company or 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.

CONNECTED TRANSACTIONS

As at 30th April 2003, a banking facility of the Group amounting to HK\$67,978,000 (2002: HK\$81,624,000) was guaranteed personally by Mr. Yeung Kui Wong and his wife without charge. The guarantee has been released subsequent to the year end.

The Independent Non-Executive Directors confirm that the transaction has been entered into by the Company in the ordinary course of its business and in accordance with the terms of the agreement governing such transactions.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30th April 2003, the interests or short positions of the following substantial shareholders in the shares or underlying shares of the Company which have been disclosed to the Company pursuant to Division 2 and 3 or Part XV of the SFO have been recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Number of shares	Percentage
Imperial Profit Enterprises Limited	210,000,000 <i>(note 1)</i>	56%
Primer Capital Investments Limited	56,250,000 <i>(note 2)</i>	15%

Notes:

1. Relevant shares have been included in the interests of Mr. Yeung Kui Wong as disclosed under the heading of Directors' Interests in Shares above.
2. Relevant shares have been included in the interests of Mr. Yeung Kui Wong as disclosed under the heading of Directors' Interests in Shares above.

All the interests stated above represent long positions.

Save as disclosed above, as at 30th April 2003, the Company had not been notified of any persons who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of Part XV of the SFO.

Subsequent to the balance sheet date, the interests of Primer Capital Investments Limited reduced to 12.07% following its disposal of 11,000,000 shares of the Company on 19th June 2003.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the period between its listing date and 30th April 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, except that the Independent Non-Executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the bye-laws of the Company.

PRE-EMPTIVE RIGHTS

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

CLOSURE OF REGISTER OF MEMBERS

The Register of Member of the Company will be closed from Wednesday, 24th September 2003 to Monday, 29th September 2003 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and attending the annual general meeting convened by the notice of annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23rd September 2003.

AUDITORS

Messrs. Deloitte Touche Tohmatsu were appointed as auditors of the Company after its incorporation.

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

Yeung Kui Wong

Chairman

19th August 2003