

DIRECTORS

The directors of the Company during the year were as follows:

Executive directors:

Ho Chin Hou
Ho Yu Ling
Ho Yeong Fan
Ho Yu Pan
Li Qiang
Yu Ying Zhou
Wen Ming
Wong Pak Hung (resigned on 30 June 2000)

Independent non-executive directors:

Ong Cheng Heang
Leung Chiu Ming, Tony (resigned on 30 June 2000)
Lo Yiu Wai, Eddie (appointed on 24 July 2000)

Subsequent to the balance sheet date, on 11 June 2001, Dr. Mao Yu Min, Dr. Xie Yi and Mr. Zhang Xiao Qing were appointed as executive directors of the Company, and Mr. Fang Lin Hu and Mr. Xue Jing Lun were appointed as independent non-executive directors of the Company. On 29 June 2001, Dr. Wen Ming resigned as an executive director and Mr. Lo Yiu Wai, Eddie resigned as an independent non-executive director of the Company.

In accordance with bye-law 111 of the Company's bye-laws, Messrs. Ho Yeong Fan, Ho Yu Pan and Ong Cheng Heang will retire at the forthcoming annual general meeting but will not offer themselves for re-election. Messrs. Mao Yu Min, Xie Yi, Zhang Xiao Qing, Fang Lin Hu and Xue Jing Lun will retire in accordance with bye-law 115 and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The directors of the Company, including the non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws.

DIRECTORS' SERVICE CONTRACTS

Messrs. Ho Chin Hou, Ho Yu Ling, Ho Yeong Fan, Ho Yu Pan and Li Qiang have entered into service agreements with the Company for an initial term of three years and three months commencing on 1 January 1999 which will continue thereafter until terminated by not less than three months' written notice served by either party on the other.

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 obligation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 2 to the financial statements, no director had a significant beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the directors of the Company and of the five highest paid employees of the Group during the year ended 31 March 2001 are set out in note 6 to the financial statements.

PENSION SCHEME

Details of the pension scheme of the Group are set out in note 1 to the financial statements.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 March 2001, the interests of the directors and their associates in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as set out below:

1. The Company

Name	Type of interest	Number of ordinary shares held
Ho Yu Ling (<i>note</i>)	Corporate	518,000,000
Li Qiang	Personal	39,200,000

Note:

These shares are beneficially owned by Well Success Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Ho Yu Ling.

2. Associated corporations

100,000 non-voting deferred shares of HK\$10 each in Extrawell Enterprises Limited ("EEL"), a wholly-owned subsidiary of the Company, are beneficially owned by Extrawell Holdings Limited ("EHL"), a related company of the Group in which Messrs. Ho Chin Hou, Ho Yeong Fan, Ho Yu Ling and Li Qiang, certain of the directors and/or beneficial shareholders of the Company, have beneficial interests.

Save as disclosed above, as at 31 March 2001, none of the directors, chief executives or their associates had any personal, family, corporate or other beneficial interest in the issued share capital of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under the terms of the share option scheme (the "Scheme") adopted by the Company on 16 January 1999, the board of directors of the Company is authorised, at its absolute discretion, to grant options to employees, including executive directors of the Company or any of its subsidiaries, to subscribe for shares in the Company. Further details of the Scheme are set out in note 20 to the financial statements. Up to the date of this report, no options have been granted to any director or employee under the Scheme.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2001, the following parties were interested in 10% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company under Section 16(1) of the SDI Ordinance:

Name of shareholder	Notes	Number of ordinary shares held	Percentage of issued shares
JNJ Investments Ltd ("JNJ")	1	500,000,000	26.32%
Well Success Limited	2	518,000,000	27.26%
Wang Yan Wei		214,000,000	11.26%

Notes:

- JNJ is wholly-owned by John Master (Hong Kong) Limited ("JMHK"). The entire issued share capital of JMHK is beneficially owned by Mr. Guo Jian Feng.
- The entire issued share capital of Well Success Limited is beneficially owned by Mr. Ho Yu Ling.

Save as disclosed above, as at 31 March 2001, no other party was recorded as having an interest of 10% or more of the issued share capital of the Company in the register of interests required to be kept by the Company under Section 16(1) of the SDI Ordinance.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied 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 (the “Listing Rules”), throughout the accounting period covered by the annual report.

AUDIT COMMITTEE

To comply with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, the Company set up an Audit Committee (the “Committee”) in 1999, with written terms of reference, for the purpose of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Committee comprises two independent non-executive directors. The Group’s financial statements for the year ended 31 March 2001 have been reviewed by the Committee. The Committee is of the opinion that such statements comply with the applicable accounting standards, and stock exchange and legal requirements, and that adequate disclosures have been made.

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

Ho Chin Hou
Chairman

Hong Kong
29 June 2001