

Directors' Report

The Board of Directors (the "Board") present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries and an associate are set out in notes 27 and 28 to the financial statements, respectively.

RESULTS

The results of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 11.

The directors do not recommend the payment of any dividend.

PLANT AND EQUIPMENT

Details of plant and equipment of the Group are set out in note 9 to the financial statements.

INVESTMENT PROPERTIES

Details of investment properties of the Group are set out in note 11 to the financial statements.

SHARE CAPITAL

Details of share capital of the Company are set out in note 20 to the financial statements.

Directors' Report (Continued)

DIRECTORS

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

Executive director:

Mr. Liang Xudong, Robert - Chairman	(appointed on 3 June 2003)
Mr. Chen Baodong	(appointed on 22 July 2003)
Mr. Sun Shufeng, Sonny	(appointed on 4 March 2004)
Mr. Chiu Kong	(appointed on 27 June 2003 and resigned on 4 March 2004)
Mr. Yeung Kwok Yu	(appointed on 27 June 2003 and resigned on 4 March 2004)
Mr. Chiu Tao	(resigned on 27 June 2003)
Mr. Chung Nai Ting	(resigned on 4 March 2004)
Mr. Tsui Ching Hung	(resigned on 4 March 2004)

Independent non-executive directors:

Mr. Cheung Hok Fung, Alexander	(appointed on 4 March 2004)
Ms. Leung Fung Yee, Alice	(appointed on 4 March 2004)
Mr. Tong Wui Tung	(resigned on 4 March 2004)
Mr. Chan Sze Hung	(resigned on 4 March 2004)

In accordance with Article 94 of the Company's Articles of Association, all the existing directors retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

As at 31 December 2003, the above resigned Executive Directors, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Chung Nai Ting and Mr. Tsui Ching Hung and the above resigned Independent Non-executive Directors, Mr. Tong Wui Tung and Mr. Chan Sze Hung are also Executive Directors and Independent Non-executive Directors respectively of Wonson International Holdings Limited which has an interest in shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO").

Directors' Report (Continued)

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of directors as at the date of this report are set out below:

Executive Directors

Mr. Liang Xudong, Robert, aged 37, is the executive director and chairman of the Company. He has over 15 years' experience in management, investment, merger and acquisition, reorganisation in various industries including aluminium, electrical engineering, paper products, chemical, medicine and education in the People's Republic of China (the "PRC"). He holds a Master Degree in Business Administration awarded by Fordham University in the United States of America.

Mr. Chen Baodong, aged 34, is the executive director of the Company. He has over 11 years' experience in sales, securities dealing, management and investment in the PRC. He holds a Master Degree in Economics awarded by Shandong University in the PRC.

Mr. Sun Shufeng, Sonny, aged 30, graduated from University of Miami with a MBA degree. He has over 10 years' experience in investment and management. He had worked at asset management firm in New York for many years and has wide range of experience in investment banking, portfolio management, emerging market and financial analysis.

Independent Non-executive Directors

Mr. Cheung Hok Fung, Alexander, aged 38, is a certified public accountant practicing in Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants of United Kingdom and an associate member of the Institute of Chartered Secretaries and Administrators. He has over 15 years' of experience in corporate development, project finance, auditing, tax planning and compliance, banking and company secretarial matters. He holds a Professional Diploma in Company Secretaryship and Administration awarded by The Hong Kong Polytechnic, a Bachelor of Laws degree from the University of New England, Australia and a Graduate Diploma in Legal Practice from the College of Law in Sydney, Australia.

Ms. Leung Fung Yee, Alice, aged 38, is a solicitor practicing in Hong Kong. She specialises in corporate commercial law and has been advising major corporation in Hong Kong and in the PRC on commercial matters. Apart from the legal qualification she obtained from the University of London, she is an Associate Member of The Institute of Chartered Secretaries and Administrators. She is also an Associate Member of The Hong Kong Institute of Company Secretaries.

SENIOR MANAGEMENT

The Group's senior management responsibilities are assumed by the Executive Directors of the Company.

Directors' Report (Continued)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2003, none of the directors or the chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which are required (a) to be recorded in the register required to be kept under section 352 of the SFO; or (b) to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

The Group does not have any share option scheme.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or 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.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2003, the interests or short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	No. of ordinary shares
(i) E-Tech Pacific Limited	10,210,000
(ii) Wonson International Holdings Limited	10,210,000

Note: For the avoidance of doubt, it should be noted that duplication occurs in respect of the above-stated shareholdings to the extent that the shareholding stated against party (i) above are entirely duplicated or included in the shareholding stated against party (ii) above.

All the interests stated above represented long positions in the shares of the Company as at 31 December 2003, there were no short positions recorded in the register required to be kept under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

Directors' Report (Continued)

CODE OF BEST PRACTICE

The Independent Non-Executive directors were not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified by the Company's Memorandum and Articles of Association. In the opinion of the directors, this meets the same objective as the Code of Best Practice set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Save as aforesaid, the Company has complied throughout the year ended 31 December 2003 with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The Group has no major suppliers, as defined under the Listing Rules.

The aggregate amount of turnover attributable to the Group's largest customer and its five largest customers both represented 83% of the Group's total turnover.

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) has an interest in any of the Group's five largest suppliers or customers.

AUDITORS

During the year, Messrs. KPMG, who were the auditors of the Company for the three years ended 31 December 2002, resigned as auditors of the Company and Messrs. Deloitte Touche Tohmatsu were appointed in their place.

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

Liang Xudong, Robert

Chairman

Hong Kong, 25 March 2004