

Report of the Directors

The Directors have pleasure in submitting their report and the audited accounts for the year ended 31 March 2002.

Principal activities

The principal activity of the Company is investment holding. The names, particulars and activities of its principal subsidiaries, associated companies and jointly controlled entities are set out on pages 38 to 40.

Results and appropriations

The results of the Group for the year are set out in the consolidated profit and loss account on page 13.

An analysis of the Group's turnover and profit for the year by business and geographical segments is set out in note 2 to the accounts.

A summary of the results and assets and liabilities of the Group for the last 5 years is set out on page 41.

An interim dividend of 5 cents per share, totalling HK\$12,984,000, and a one-time special dividend of 65 cents per share, totalling HK\$168,796,000, were paid on 7 February 2002. The Directors have recommended a final dividend of 8 cents per share, totalling HK\$20,775,000, payable on 4 September 2002.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in notes 23 and 24 to the accounts.

Fixed assets

Details of the movements in fixed assets are set out in note 12 to the accounts.

Bank borrowings and interest capitalised

Details of bank borrowings are set out in note 21 to the accounts. The Group does not have other borrowings. No interest has been capitalised during the year.

Management contracts

No contracts concerning the management and administration of the Company were entered into or existed during the year.

Directors

The Board of Directors as now constituted is listed on page 2.

Their brief biographical details are set out on pages 3 to 4. Mr. Takagi, Kazuaki served as Director until 1 September 2001.

Mr. Chow Chung Kai, Mr. Chow Wai Wai, John, Mr. Yue Kwok Hung, Justin and Mr. Chow Pai Ying retire by rotation under the provisions of Articles 104 and 105 at the forthcoming annual general meeting. For personal reasons, Mr. Chow Pai Ying does not stand for re-election. All the other retiring Directors, being eligible, offer themselves for re-election.

None of the Directors has a service contract with the Company.

Compliance with the Code of Best Practice

During the year, the Company has complied with the Code of Best Practice as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), except that non-executive Directors are not appointed for a specific term but are subject to retirement by rotation at annual general meetings of the Company in accordance with Articles 104 and 105 of the Company's Articles of Association.

Pursuant to the Code of Best Practice, an Audit Committee with written terms of reference has been appointed on 18 December 1998. Mr. Chow Pai Ying resigned as member of the Audit Committee on 16 January 2002. The present Audit Committee comprises two independent non-executive Directors, namely Mr. Ho Fook Hong, Ferdinand and Mr. Yue Kwok Hung, Justin. The Audit Committee's principal duties include the review of the Group's financial reports and internal controls and risk evaluation. The Audit Committee has met four times during the year.

Directors' interests in contracts and in equity or debt securities

Save and except for the related party transactions disclosed in note 11 to the accounts, no contracts of significance in relation to the Group's business 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.

At no time during the year was the 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.

The interests of the Directors at 31 March 2002 in the issued share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance) as recorded in the register maintained under section 29 of that Ordinance are set out below.

Name of Director	Personal interests	Family interests	Corporate interests (Note)	Total
The Company				
<i>Ordinary shares held:</i>				
Mr. Chou Wen Hsien	—	—	192,615,464	192,615,464
Mr. Chow Chung Kai	—	—	192,615,464	192,615,464
Mr. Ting Hsiun Shih, Patrick	—	10,000	—	10,000
Winsor Health Investment Ltd.				
<i>Ordinary shares held:</i>				
Mr. Chou Wen Hsien	—	—	300	300
Mr. Chow Chung Kai	—	—	300	300
Winsor Health Products Ltd.				
<i>Ordinary shares held:</i>				
Mr. Chou Wen Hsien	—	—	15,000	15,000
Mr. Chow Chung Kai	—	—	15,000	15,000
<i>10% Redeemable preference shares held:</i>				
Mr. Chou Wen Hsien	—	—	3,000	3,000
Mr. Chow Chung Kai	—	—	3,000	3,000
Winsor Health Products (International) Ltd.				
<i>Ordinary shares held:</i>				
Mr. Chou Wen Hsien	—	—	3,000	3,000
Mr. Chow Chung Kai	—	—	3,000	3,000
<i>Note : Such interests are held by corporations where Mr. Chou Wen Hsien and Mr. Chow Chung Kai are each entitled to exercise one-third or more of the voting power in their general meetings.</i>				

The Company has not granted any right to subscribe for equity or debt securities of the Company. Save as disclosed herein, none of the Directors had any interest in the equity or debt securities of the Company or any of its associated corporations at 31 March 2002.

Directors' interests in competing businesses

Set out below is information disclosed pursuant to paragraph 8.10(2) of the Listing Rules:-

Messrs. Chou Wen Hsien, Chow Chung Kai, Chow Ming Shan and Tang Hung Yuan, executive Directors of the Company, being also executive directors of Winsor Properties Holdings Limited ("WPHL"), a company listed in Hong Kong, during the year until 15 August 2001, are considered to be interested in WPHL under paragraph 8.10(2). Mr. Chow Wai Wai, John and Mr. Lam Woon Bun, executive Directors of the Company, being also executive directors of WPHL throughout the year, and Mr.

Tang Ming Chien, Manning, an executive Director of the Company, being also a non-executive director of WPHL during the year as from 15 August 2001, are also considered to be so interested.

Ownership of various industrial premises and carpark spaces for letting by WPHL's subsidiaries constitute competing businesses to the Group's ownership of an industrial building and carpark spaces in Hong Kong for letting. In view of the WPHL Group's experience and expertise in industrial property letting and management, the Group has appointed a subsidiary of WPHL as agent for the letting and management of the Group's said properties.

Since the WPHL Group properties are targeted at different customers and/or situated in different areas compared to the Group's own properties, the Group considers that its interest in the businesses of owning and letting of industrial premises and carparking spaces is adequately safeguarded.

Report of the Directors *(continued)*

Mr. Chow Ming Shan, an executive Director of the Company, being also a non-executive director of Safety Godown Company Limited (“Safety Godown”) for the period from 1 April 2001 to 30 August 2001, is considered as having an interest in Safety Godown under paragraph 8.10(2).

The principal businesses of Safety Godown and its subsidiaries are property investment and godown operation. Its property investment business constituted a competing business to the Group.

Mr. Chow Ming Shan is not involved in any way in the carrying on of the competing business by Safety Godown. The Group is therefore capable of carrying on its business independently of, and at arm’s length from, the said competing business. Mr. Chow Ming Shan resigned as a non-executive director of Safety Godown on 30 August 2001.

Substantial Shareholders

The register of substantial shareholders maintained under section 16(1) of the Securities (Disclosure of Interests) Ordinance shows that at 31 March 2002 the Company has been notified of the following interests, being 10% or more of the issued share capital of the Company, other than those of the Directors as disclosed above:-

	Number of <u>Ordinary shares held</u>	<u>% of Total</u>
Super-Rich Finance Limited	192,615,464	74.17%

Purchase, sale or redemption of shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the year.

Major customers and suppliers

The percentages of the Group’s sales for the year attributable to major customers are as follows:

Percentage of sales attributable to the Group’s largest customer	14.43%
Percentage of sales attributable to the Group’s five largest customers	33.49%

None of the Directors of the Company, their associates, or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company’s share capital) has any interest in the customers disclosed above.

During the year, less than 30% of the Group’s purchases was attributable to its five largest suppliers.

Auditors

The accounts have been audited by PricewaterhouseCoopers who offer themselves for re-appointment at a fee to be agreed.

On behalf of the Board

CHOU Wen Hsien
Chairman

Hong Kong, 24 July 2002.