

WINFAIR INVESTMENT COMPANY LIMITED

Report of the Directors

The directors have pleasure in submitting their report and the audited financial statements of the company and of the group for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company and its subsidiaries are property and share investments. There were no significant changes in the nature of the activities during the year.

An analysis of the group's performance for the year by business segments is set out in note 3 to the financial statements.

FINANCIAL STATEMENTS

The results of the group for the year ended 31 March 2002 and the state of affairs of the company and of the group at that date are set out in the financial statements on pages 10 to 30.

DIVIDENDS

An interim dividend of HK\$0.02 per share totalling HK\$800,000 was paid during the year.

The directors now recommend that a final dividend of HK\$0.07 per share on 40,000,000 shares amounting to HK\$2,800,000 be payable in respect of the year ended 31 March 2002.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in note 10 to the financial statements.

RESERVES

The movements in reserves during the year are set out in note 17 to the financial statements.

DONATIONS

Donations made by the group during the year for charitable or other purposes amounted to HK\$2,780.

SUBSIDIARIES

The particulars of the subsidiaries as at 31 March 2002 are set out in note 13 to the financial statements.

WINFAIR INVESTMENT COMPANY LIMITED

Report of the Directors (Cont'd)

DIRECTORS

The directors who held office during the year and up to the date of this report are:—

Executive directors:

Ng See Wah
Ng Tai Wai
Soo Cho Ling

Non-executive directors:

Ng Tai Keung
So Kwok Leung

Independent non-executive directors:

Heng Kwoo Seng
Ng Chi Yeung, Simon

In accordance with article 110 of the company's articles of association, Mr. Ng Tai Wai and Mr. Heng Kwoo Seng retire by rotation and, being eligible, offer themselves for re-election.

The non-executive directors are subject to retirement by rotation in accordance with the above article.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2002, the interests of the directors in the share capital of the company as recorded in the register maintained pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:—

	Number of shares held				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Executive directors:					
Ng See Wah	7,941,423	910,000	3,370,500*	—	12,221,923
Ng Tai Wai	3,899,077	—	3,370,500*	—	7,269,577
Soo Cho Ling	5,008,423	250,000	—	—	5,258,423
Non-executive directors:					
Ng Tai Keung	259,000	—	—	—	259,000
So Kwok Leung	5,961,077	—	—	—	5,961,077
Independent non-executive directors:					
Heng Kwoo Seng	—	—	—	—	—
Ng Chi Yeung, Simon	—	—	—	—	—

* 3,370,500 shares attributable to Mr. Ng See Wah and Mr. Ng Tai Wai were held by Rheingold Holdings Limited, a company beneficially owned by Mr. Ng See Wah and Mr. Ng Tai Wai.

WINFAIR INVESTMENT COMPANY LIMITED

Report of the Directors (Cont'd)

DIRECTORS' INTERESTS IN SECURITIES *(Cont'd)*

Saving as disclosed above and other than certain nominee shares in subsidiaries held by the directors in trust for the company, none of the directors or their associates had any interests in any securities of the company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance.

None of the directors, their spouses or their children under the age of 18 had any right to subscribe for the securities of the company.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2002, no person, other than certain directors of the company, was interested in ten percent or more of the issued capital of the company as recorded in the register maintained pursuant to Section 16 of the Securities (Disclosure of Interests) Ordinance.

MANAGEMENT CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has any unexpired service contract with the company which is not determinable within one year without payment of compensation, other than statutory compensation.

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during or at the end of the year.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had whether directly or indirectly any interest in significant contracts with the company or its subsidiaries during or at the end of the year.

None of the directors had any arrangement with the company or its subsidiaries to enable them to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate during or at the end of the year.

SHARE PURCHASE, SALE OR REDEMPTION

Neither the company nor any of its subsidiaries purchased, sold or redeemed any of the company's issued shares during the year under review.

MAJOR CUSTOMERS AND SUPPLIERS

In relation to the group's property leasing business, the percentages of gross rental income for the year ended 31 March 2002 attributable to the largest tenant and the five largest tenants in aggregate were 43% and 83% respectively.

None of the directors, their associates or any shareholders (who to the knowledge of the directors own more than 5% of the company's issued capital) had any beneficial interests in the group's five largest tenants.

The group had no significant purchases during the year.

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Report of the Directors (Cont'd)

CORPORATE GOVERNANCE

Except that the independent non-executive directors are not appointed for a specific term, the directors are of the opinion that the company is, or was during the year ended 31 March 2002, in compliance 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.

AUDITORS

The company's auditors, Messrs. Wong Brothers & Co., Certified Public Accountants, have acted as the company's auditors for the preceding three years. A resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

On behalf of the board

Ng See Wah
Chairman

Hong Kong, 27 June 2002