

The Directors have pleasure in submitting their Report and the Audited Statement of Accounts for the financial year ended 31 March 2002.

PRINCIPAL ACTIVITIES AND TRADING OPERATIONS

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out on page 51.

An analysis of the principal activities and geographical locations of trading operations of the Company and its subsidiaries during the financial year is set out in Note 2 to the Accounts on pages 31 and 32.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 March 2002 are set out on page 51.

RESULTS, APPROPRIATIONS AND RESERVES

The results of the Group for the financial year ended 31 March 2002 are set out in the Consolidated Profit and Loss Account on page 18.

Appropriations of profits and movements in reserves during the financial year are set out in Note 21 to the Accounts on pages 44 to 46.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is given on page 56.

DIVIDENDS

An interim dividend of 2.0 cents per share was paid on 25 January 2002. The Directors now recommend the payment of a final dividend of 5.0 cents per share in respect of the financial year ended 31 March 2002, payable on 18 September 2002 to Shareholders on record as at 29 August 2002. This recommendation has been disclosed in the Accounts.

FIXED ASSETS

Movements in fixed assets during the financial year are set out in Note 11 to the Accounts on page 38.

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of all bank loans, overdrafts and/or other borrowings of the Company and of the Group as at 31 March 2002, all being repayable on demand or within a period not exceeding one year, are set out in Note 18 to the Accounts on page 43. Those which would fall due for repayment after a period of one year are set out in Note 22 to the Accounts on page 47.

INTEREST CAPITALISED

No interest was capitalised by the Group during the financial year.

DONATIONS

The Group made donations during the financial year totalling HK\$0.8 million.

DIRECTORS

The Directors of the Company during the financial year were Messrs. G. W. J. Li, K. H. Leung, T. Y. Ng, C. L. Pan and J. Y. K. Yang.

Subsequent to the financial year end, Mr. J. Y. K. Yang resigned from the Board and Mr. C. C. Haung was appointed as a Director of the Company, both with effect from 3 June 2002.

Mr. C. C. Haung, being appointed as a Director of the Company after the last Annual General Meeting, is due to retire from the Board in accordance with Articles 94 of the Company's Articles of Association, and Mr. T. Y. Ng is also due to retire from the Board by rotation in accordance with Article 103(A), at the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-election.

With the exception of the Chairman (who is not subject to retirement by rotation under the provisions of the Company's Articles of Association) together with Mr. C. C. Haung and Mr. T. Y. Ng (who are due to retire from the Board at the forthcoming Annual General Meeting as mentioned above), both of the other two present Directors (neither of them holding any executive office of the Company) will continue to serve on the Board for a term of one or two years until they become due to retire from the Board again by rotation in 2003 or 2004 in accordance with Article 103(A) of the Company's Articles of Association.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation.

DIRECTORS' INTERESTS IN SHARES

At 31 March 2002, Directors of the Company had the following beneficial interests in the share capital of the Company, the Company's parent company, namely, Wheelock and Company Limited ("Wheelock"), and an associate of Wheelock, namely, The Wharf (Holdings) Limited ("Wharf"):

	No. of Ordinary Shares	Nature of Interest
The Company		
Mr. G. W. J. Li	2,900	Personal interest

	No. of Ordinary Shares	Nature of Interest
Wheelock		
Mr. G. W. J. Li	1,486,491	Personal Interest
Mr. T. Y. Ng	70,000	Personal Interest
Mr. C. L. Pan	652,264	Personal Interest
	727,712	Corporate Interest (See Note below)
Wharf		
Mr. G. W. J. Li	686,549	Personal Interest
Mr. T. Y. Ng	178,016	Personal Interest
Mr. C. L. Pan	56,304	Personal Interest

Note: The 727,712 shares classified as Corporate Interest in which Mr. C. L. Pan was taken to be interested as stated above were interests of a corporation at general meetings of which Mr. Pan was entitled to either exercise (or was taken under the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") to be able to exercise) or control the exercise of one-third or more of the voting power.

Save as disclosed above, as recorded in the register kept by the Company under section 29 of the SDI Ordinance in respect of information required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the SDI Ordinance or to the Model Code for Securities Transactions by Directors of Listed Companies:

- (i) there were no interests held as at 31 March 2002 by any Directors and Chief Executive of the Company in securities of the Company and its associated corporations (within the meaning of the SDI Ordinance), and
- (ii) there existed during the financial year no rights to subscribe for equity or debt securities of the Company which were held by any Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercise during the financial year of any such rights by any of them.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties which were, directly or indirectly, interested in 10% or more of the nominal value of the share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2002 as recorded in the register kept by the Company under section 16(1) of the SDI Ordinance:

Names	No. of Ordinary Shares
(i) Myers Investments Limited	1,536,058,277
(ii) Wheelock Properties Limited	1,536,058,277
(iii) Wheelock and Company Limited	1,536,058,277
(iv) Bermuda Trust (Guernsey) Limited	1,536,058,277

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the above-stated shareholdings to the extent that the shareholdings stated against parties (i) to (iv) above represent the same block of shares; all of the abovenamed parties were deemed to be interested in the relevant shareholdings under the SDI Ordinance as at 31 March 2002.

INTERESTS IN CONTRACTS

No contract of significance in relation to the Company's business to which the Company, any subsidiary or holding company of the Company or any subsidiary of the Company's holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

MANAGEMENT CONTRACTS

There was in existence during the financial year an agreement dated 31 March 1992 between the Company and Wheelock Properties Limited ("Wheelock Properties"), whereby Wheelock Properties were appointed the General Managers of the Company. The said appointment has become effective since 31 March 1992 and shall continue in force until it is terminated by Wheelock Properties by the giving of six months' prior notice in writing. Mr. K. H. Leung and Mr. T. Y. Ng are directors of Wheelock Properties and are accordingly regarded as interested in the said agreement.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the financial year was the Company, its subsidiaries or its ultimate holding company or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDITORS

The Accounts now presented have been audited by KPMG, Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

By Order of the Board
Wilson W. S. Chan
Secretary

Hong Kong, 10 June 2002