

CHAIRMAN'S STATEMENT

THE YEAR ENDED 31 DECEMBER 2000

Throughout the year 2000, Multifield had concentrated its effort in consolidating and maintaining its market position in both the Hong Kong and Shanghai property markets. The Board was particularly delighted with the performance of our core Shanghai service apartment operation in achieving exciting rental growth for the sixth consecutive year whereas rental income from our Hong Kong property portfolio remained stable with an overall occupancy rate of close to 90%.

Against a background of unstable market sentiment in both the Hong Kong and Shanghai property markets, the underlying core operating results of Multifield were very pleasing. However, the year's results were affected very much after absorbing our share of the losses of Oriental Explorer Holdings Limited (formerly known as Linkful International Holdings Limited), a listed steel trading and manufacturing group, in which Multifield had an equity interest of 22.7%. Restructuring of the loss making steel manufacturing plants in China would be made this year and we anticipate that Oriental Explorer would be back into the black by the end of this year.

Despite an abundant supply of service apartments in Shanghai, over the years, we have already stood out to become one of the most renowned "5 stars" operators and owners in Shanghai with a portfolio of over 400 service apartments and houses under our management. Our Shanghai service apartment chain, operating under the name of "Windsor Renaissance", has already established a firm footing in Shanghai and has so far received overwhelming success and most of the properties under our management are rented out as soon as they are released to the market. The rental return for the past few years was strong and we expect this trend would continue. As large multinational corporations continue to march into China, the need to house their executives is ever increasing, especially for Shanghai, the financial hub of China. We strongly believe that Multifield is heading the right direction and is extremely well placed to capitalize on this exciting opportunity.

At present, Multifield will concentrate on the development of its prime residential land bank in Shanghai of 54,550 sq.m. of which Multifield has a 48% equity interest. Upon completion in late 2001/early 2002, it is expected that over 120 detached houses and townhouses of first class hotel quality will be added to our Shanghai property portfolio with an additional annual rental of over HK\$80 million.

The achievements of the past several years, which brought Multifield to its current strong position, allow us to look forward with confidence to the future. The Board and management of Multifield are dedicated to rewarding the shareholders who have supported the company by their investment and have decided to continue to upkeep the dividend and bonus issue policy by proposing a final dividend of 0.3 HK cents per share together with a bonus issue of one new share for every five existing shares held at the forthcoming annual general meeting.

Lau Chi Yung, Kenneth

Chairman

Hong Kong, 20 April 2001