

CHAIRMAN'S STATEMENT

THE YEAR ENDED 31 DECEMBER 2001

The 2001 financial year was one of sound progress for Multifield. The Group remained very focused throughout the whole year and achieved exceptional results in its core rental business despite severe economic slowdown in Hong Kong.

What was particularly noteworthy was the sustained high performance of our top class service apartment chain in Shanghai, which achieved remarkable profit growth for the seventh consecutive year. The Group, through the name of "Windsor Renaissance", has already established a sound platform for future profitable growth in Shanghai. With China formal accession to the WTO, Shanghai, as the financial hub of China, has received unprecedented opportunities. All the Fortune 500 companies have more or less established a presence in Shanghai and there is a great demand for high quality corporate housing to house their executives. Multifield is one of the very few companies in Hong Kong and China specializing in this area of business and at present, a portfolio of over 400 service apartments and houses are under our management and the overall occupancy rate is close to 98%.

As regards the Hong Kong Property portfolio, the Group can still maintain an occupancy rate of close to 85% with no significant drop in the overall rental value. We strongly believe that under the leadership of Mr. C.H. Tung, The Government of the HKSAR will endeavour to revitalize the property market and the current depression in the Hong Kong property market may only prolong for another 2 to 3 years at most. Barring any unforeseen circumstances, we have every confidence in the Hong Kong economy in the long term and will start to look for opportunities when the timing is right.

At present, Multifield is concentrating on the development of our prime residential land bank in Shanghai of 54,550 sq.m. The first phase of 25 houses will be released in June this year and upon completion of the whole project in late 2002, it is expected that 126 detached houses and townhouses of first class hotel quality will be added to our Shanghai property portfolio with an additional annual rental of close to HK\$75 million.

Multifield is fortunate to have at its helm a leadership team with a proven track record together with 330 employees in Hong Kong and Shanghai whose hard work, dedication and commitment underpins the exceptional performance of the Group. Taking this opportunity, I would like to thank all employees for their contributions to our ongoing growth during the year.

Looking ahead, the future is bright for Multifield and with the first few months of 2002 behind us, it is pleasing to be able to report that our results to date are very much in line with our expectations. Accordingly, we remain very optimistic for the performance of the Group during 2002. With its proven track record, Multifield is now well positioned to capitalize on the market opportunities which are available to it, both in Hong Kong and Shanghai. I am sure that the coming year will again provide growth and satisfaction to all of our shareholders and investors.

Lau Chi Yung, Kenneth

Chairman

Hong Kong, 19 April 2002