

# Chairman's Statement

*On behalf of the Board of Directors, I am pleased to present the annual report of Sun Man Tai Holdings Company Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2001.*

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to announce the Group's results for the year ended 31 December 2001: (1) turnover at HK\$66,708,000 and profit attributable to shareholders at HK\$38,104,000, representing a decrease of 34% in turnover and an increase of 59% in profit attributable to shareholders as compared with the same period last year; (2) net tangible assets at HK\$494,358,000, representing an increase of 66% as compared with that of last year.

During the year of 2001, slowdown of global economy continued, and with the "11 September" terrorist attacks which marked the lowest point in terms of investor confidence, Hong Kong economy, especially the export, trading and retail industry, was seriously affected. In such an austere environment, the Group managed to minimize the adverse effect by virtue of its flexible business strategies and sound and healthy policy for development. This can be shown in our gradual increase in profit of the Group as shown in the annual results.

On the back of the concurrent booming of the PRC's economy and its continuing growth of GDP, coupled with the business opportunities that will arise from the PRC's successful accession to the World Trade Organization and Beijing's successful bid to host the Olympic Games in 2008, the long-term economic prospects for Hong Kong, being an important gateway to the PRC, are optimistic. Looking ahead, the Group is cautiously optimistic as to the outlook of our operating environment in 2002. The Group will grasp such business opportunities firmly to strengthen its core business of property investment and to explore other potential investment opportunities to strengthen the profitability of the Group, in hopes that the operations of the Group will continue to gain momentum and grow and it will be able to maximize shareholders' value!

Yours faithfully  
**Qian Yong Wei**  
Chairman

Hong Kong, 24 April 2002