



# C hairman Statement

*First Natural Foods is dedicated to innovation. It aims for perfection and the delivery of quality natural foods to customers all around the world.*



On behalf of the Board of Directors (“Directors”) of First Natural Foods Holdings Limited (the “Company”) together with its subsidiaries, (collectively the “Group”), I am delighted to announce that our Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 February 2002, raising net proceeds of approximately HK\$130,000,000. I would like to take this opportunity to present the first annual results of the Group for the year ended 31 December 2001.

2001 was a year of rapid growth for the Group. With quality products and highly competitive prices, the Group successfully tapped into the market of frozen marine foods and functional foods with rapid business growth. As at 31 December 2001, the Group recorded a strong growth of approximately 128% in turnover and 107% in profit attributable to shareholders respectively as compared to 2000.

Benefiting from growing health concerns around the world, market demand for natural foods and functional foods continues to surge. According to the National Nutrition Foods Association in the U.S. the nutritional food industry is expected to grow at an annual rate of over 6% from 2001 to 2005. In the PRC, annual sales of functional foods already reached RMB50 billion in year 2000. Japan continues to be the largest fish and seafood importer in the world. As consumer taste changes, demand for quality, tasty and nutritionally rich but low cost frozen marine products increases, escalating demand surging dramatically since it first reached the market in 1998. Forseeing the market potential, we are confident that the demand for quality frozen marine foods will keep increasing, facilitating the Group’s continued expansion in the global market.

Situated at Fuqing, Fujian province with its rich natural resources, the Group enjoys an endless supply of fresh, low cost and quality raw materials for its frozen processed foods. In addition to our large-scale production base, advanced facilities and self-developed processing technology, the Group has adopted a production model which enables the Group to benefit from economies of scale, producing quality and cheap natural frozen foods that are well received in the market.

Looking ahead, we are fully dedicated to achieving our goal - to deliver top quality processed natural foods with an emphasis on nutrition, freshness and health for global customers. We will continue to pursue meeting customers’ needs, develop quality new products, strengthen “Longyu” brand awareness and enhance competitiveness of the Group to further expand markets in China and overseas. First Natural Foods aims to become the world’s largest natural and healthy foods processor and exporter for frozen shellfish.

Lastly, on behalf of the Board of Directors, I would like to thank my fellow management and staff for their hard work during the past year, as well as to our customers, business partners and shareholders for their support.

**Yeung Chung Lung**  
*Chairman*

Hong Kong 22 April 2002

