

To Our Shareholders

The year 2001 was a seminal year in the development of Pak Tak International Limited (the "Company") and its subsidiaries (the "Group"). During the year, the Company successfully listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). On behalf of the Board of Directors of the Company I would like to extend to our shareholders, customers, suppliers, business partners, management and staff, my heartfelt gratitude for your support and faith in the vision of the Group.

Business Overview

I am pleased to announce that the Group recorded a year of steady growth in the year ended 31 March 2002. For many, 2001 was a difficult year, in light of the unfavourable economic conditions and against the background of the event known as "9/11" in the United States. The Group, however, managed to increase its turnover and profit in this financial year. This achievement attests to the Group's strengths of quality products and services, established relationships with suppliers and customers, and sound management.

I am further confident that with the solid foundation and reputation that the Group has developed, its performance will continue to improve in the future years.

Highlights

The highlights of the results for the year ended 31 March 2002 are as follows:

- Turnover increased by 4.9% to HK\$431 million (2001: HK\$411 million);
- Profit attributable to shareholders increased by 12.8% to HK\$44.1 million (2001: HK\$39.1 million);
- Earnings per share increased by 4.8% to 22 HK cents (2001: 21 HK cents);

- Final dividend per share 4.6 HK cents (2001: Nil);
- As at 31 March 2002, the Group's net current asset position increased 5.4 times to HK\$121 million, representing a current ratio of 4.4 (2001: 1.3).

Dividend

In view of the strong results of the Group, the Board of Directors now recommends a final dividend of 4.6 HK cents per share for the year ended 31 March 2002 (2001: Nil) payable to shareholders whose names are on the Register of Members of the Company as at 20 August 2002.

A Bright Future

As befits the vision of the Group when the Company sought the listing of its shares, our management team feels confident and optimistic of the Group's future. Following the completion of the construction of new factory premises in China and Thailand and the establishment of a new production base in Vietnam, it is expected that the production capacity of the Group will increase to about 1 million dozens of garments per year.

Faced with new challenges, the management team finds that the experience and skill level of the Group provides rich resources to enable the conversion of challenges into opportunities. The Group will continue its effort on cost control and productivity enhancement so as to strive for steady growth and better returns for its shareholders in the coming year. I have no doubt that you all share my high hope for the Group.

Cheng Chi Tai

Chairman

Hong Kong, 10 July 2002