

SMT 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 2000.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to announce the Group's results for year 2000: (1) turnover at HK\$101,275,000 and profit attributable to shareholders at HK\$23,943,000, representing an increase of 565% and 273% respectively as compared with the same period last year; (2) tangible assets at HK\$386,843,000, representing an increase of 80% as compared with that of last year.

The past year remained a challenging year to local enterprises, as the economy was hit again by the high-tech bubble burst at a time when it was reviving in the wake of the Asian financial turmoil in 1997. Fortunately following its successful restructuring in 1999, the Group managed to enhance its net assets and enlarge its revenue base, thanks to its rigorous investment approach. As shown in the latest results, our established policy for development is both sound and healthy. We will keep moving ahead in this direction in the coming year.

Looking ahead, the Group is expected to benefit from China's subsequent admission to the World Trade Organization despite some looming external uncertainties. Meanwhile, the Group will continue strengthening such businesses as property management and investment to support its steady growth without neglecting its operation scale and revenue, in hopes that it will be able to create maximum shareholders' value with limited resources!

Yours faithfully,
Qian Yong Wei
Chairman

Hong Kong, 20 April 2001