

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Rontex International Holdings Limited (the "Directors"), together with its subsidiaries (the "Group"), I am pleased to announce our annual results following the Group's listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 8 November 2002.

RESULTS

Significant progress has been achieved in 2003 and the Group has successfully achieved double-digit growth in both turnover and profit attributable to shareholders for the year ended 31 March 2003. Despite the lack of a clear, sustained rebound in global economy. The Group recorded a turnover of approximately HK\$163,112,000 (2002: HK\$126,738,000), up 28.7% compared to the previous year. Net profits attributable to shareholders were HK\$30,235,000 (2002: HK\$22,638,000), up 33.6% compared to the previous year. Earning per shares increased by 16.7% to HK16.1 cents compare to the previous year. The stunning performance of the Group reflects continuous growth in the Group's recurring operations and was resulted from the operational improvements during the course of year. In particular, the full scale operation of the production bases in the People's Republic of China ("PRC") invested by the Group.

DIVIDEND

The Group has maintained a stable dividend policy. During the year, the Group had paid HK\$10 million to their former shareholders in the current year prior to the group reorganization. An interim dividend of HK1.5 cents per share was paid in January 2003. The Directors proposed bonus issue of Bonus Shares to the shareholders on the basis of one bonus share share for every one existing shares held on the record date.

BUSINESS REVIEW

The Group achieved a stunning performance despite the political and economic uncertainties faced by the global economy for the year. The Group's business has also not been severely impacted by the Severe Acute Respiratory Syndrome ("SARS"). This was attributable to the effective implementation of preventive measures and contingency plans by the management that protect our staff and business from the vital influence arising from SARS.

Therefore, the Directors are glad to see a double digit growth in both turnover and profit attributable to shareholders compare to the previous year.

Knitwear products, which contributes approximately 36% of the Group's turnover, recorded a 94.0% and 69.8% increase in revenue and operating profits to HK\$58,680,000 and HK\$10,705,000 respectively. This was attributable to the Group's investment in a wholly owned production base in the Ningbo city of Zhejiang province of the PRC which came into full-scale operations for the period under review. This production base is specialized in the production of various kinds of knitwear products.

In December 2002, a wholly owned subsidiary of the Group entered into a Joint Venture Agreement to develop the third production base of the Group in Huzhou of Zhejiang Province of the PRC, namely Huzhou Ronco Sweater Company Limited. The production base will be specialized in the production of sweaters. This new production base is expected to cement the leading role of our one – stop manufacturing powerhouse by synergies created through consolidation of the territorial expertise of Chinese garment manufacturing veterans. We believe that our Chinese business partner will not only add values to the Group's operation of productions bases in the PRC, but also strengthen the networks of sourcing of garment manufacturers across the territory. The production base is expected to commence operation at the beginning of 2004.

LOOKING AHEAD

We anticipate the global economy will continue to be dimmed by uncertainties arising from conflicts in the Middle East and the risks of SARS which have dampening effect across nations. Given the difficulties above, we will be committed to expand our product varieties and cement our networks in the PRC.

Currently, the Group is developing an in-house brand name of garment products in our production base in the PRC. In view of the rapid growth of the economy of the PRC, we anticipate local demand in the PRC will soar at folds. To grasp this business opportunities, we plan to launch our brand in the PRC market and expect the revenue derived in local sales will help sustaining the growth of the Group and upholding the fame of the enterprises in the PRC.

With the PRC's accession to the World Trade Organization and the hosting of 2008 Olympics Games, the Group is well positioned to pick up these business opportunities. On one end, we have production bases in the Ningbo City and Huzhou City, which is located at the Chang Jiang delta, one of the most promising economic region in the PRC. In addition, the construction of the Shanghai – Ningbo viaducts will strengthen the infrastructure of the region. While the Group's headquarter is located in the head of Pearl delta, Hong Kong and we have an associate in Beijing, the Capital of the PRC. We believe our strong background will furnish us with competitive edges in striving new market segments and market expansion worldwide. On the other end, the Group continues to seek opportunities in expansion of production in term of quality and quantity, through merger and acquisition or the setting up of new joint ventures.

Looking ahead, we are dedicated to explore new markets with a view to enhancing the market competitiveness of the Group. The Group has strong sensitive perception of market risks which will help the management to adjust its future business development directions in response to the rapid change of market demand.

APPRECIATION

On behalf of the Group, I wish to express my sincere thanks to our management team and to our employees, who have devoted their talents and efforts to the Group. I would also like to express my gratitude to our shareholders and business partners for their confidence and continuing support for the Group.

Cheung Keng Ching

Chairman

Hong Kong, 28th July 2003