

Chairman's Statement



The Management of Wealthmark International (Holdings) Limited considered 2003 to be a challenging year.

The increasing competition of those factories in Yangzi-delta region has created a lot of pressure to the gross margin of our overseas sales.

In order to maintain the profitability in future, the Group has to diversify its business. The Group found its way out from consignment sales of lady handbags with famous brand name DAPHNE in the PRC domestic market. The number of shops available for selling the DAPHNE handbags will increase from 350 in 2003 to 520 in 2004.

Besides, the Group has started the garment operation in Cambodia in 2003. The Management expects the performance of the garment operation to be improved in 2004.

Finally, even though we have to face a lot of uncertainties and difficulties in the coming years, we are confident that through the efforts of all the staff in our Group we can face all the challenge in the years ahead.

Wong Chor Wo

Chairman

Hong Kong

20 April 2004