



But Ka Wai

Chairman

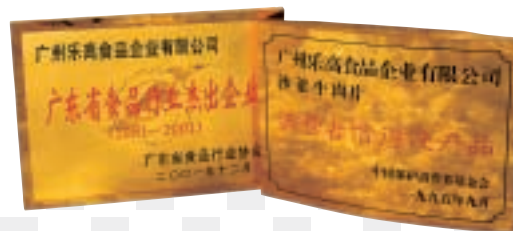
CHAIRMAN'S STATEMENT

With 40 years of heritage behind the Group and the undertaking of continuous product development so as to stay abreast of market trends and changing consumer preferences, Wah Yuen Holdings Limited ("Wah Yuen" or "the Group") has become a household brandname in Hong Kong, the People's Republic of China (the "PRC") and most Chinese-populated communities worldwide. With the successful listing of Wah Yuen on the Mainboard of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2003, the Group is well-prepared to take bigger leaps forward and further consolidating and strengthening our position in the global market.

While packaged foods traditionally offer much convenience and are able to satisfy the lifestyle needs of modern day society, present day demands also require quality and taste along with product variety so as to satisfy different customer groups. In addition to its recognition as the leading one-stop packaged food manufacturer, distributor and retailer in the Hong Kong and PRC market, Wah Yuen has established itself as a trendsetter of packaged snacks with a comprehensive product range spanning across preserved meats, convenience frozen food products, preserved fruits and nuts, flour products and others.

Throughout the years, the Group's relentless devotion to quality control has already earned them a number of nationally and internationally recognized certificates and awards, including the ISO 9001 and ISO 9002 quality system certifications. Such dedication and perseverance continued to receive industry recognition, as Wah Yuen was selected as one of the "Superbrands" in Hong Kong in January 2004.

In addition to providing top quality products to its customers, the Group also places a strong emphasis on safety and hygiene. The Group's two production facilities located in the Huadu District, Guangzhou, Guangdong Province in the PRC, namely Wah Yuen (Guangzhou) Foods Co., Ltd and Rocco Foods Enterprise (Guangzhou) Co., Ltd, have also been awarded the internationally recognized HACCP certificate to acknowledge the observance of the strictest hygiene standards throughout the food production process, from raw materials procurement to processing to packaging and distribution.



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Both Hong Kong and the PRC offer tremendous opportunities for the Group. During the year, the Group has extended its product range to packaged snack food and convenience frozen food products in the Hong Kong market, featuring local flavours and ready-to-eat foods and snacks. As for the PRC market, the Group focused on expanding its distribution network into more cities and provinces, so as to increase the exposure of its products sold under the three brands.

Looking ahead, the Directors believe that the trend and popularity of packaged foods will sustain its growth momentum, from generations to generations it will be passed on, with improved product development, perfected packaging and even better product taste, quality and variety. With over 200 products under 5 categories, our comprehensive product range will only continue to grow. The Group will also strive to consolidate its business in Hong Kong, growth in the PRC and establishing its foothold in overseas market.

To live up to our "Superbrands" status, every member of the Group will continue to embrace our commitment to bring quality, flavour, variety and excitement to our growing customer base worldwide. We aim to surpass our achievements in the past 40 years and we look forward to propelling our growth in the decades to come. I take this opportunity to thank our most valuable assets - our competent staff and experienced management - for paving the road of Wah Yuen to continuous great heights!

By Order of the Board

But Ka Wai

Chairman

Hong Kong, 26 April 2004

