

2001 INTERIM RESULTS (UNAUDITED)

The directors of Wealthmark International (Holdings) Limited (the “Company”) are pleased to present the interim report and condensed accounts of the Company and its subsidiaries (the “Group”) for the six-months ended 30th June 2001 which have been reviewed by the Group’s audit committee. The consolidated results and consolidated cash flow statement for the Group for the six-months ended 30th June 2001, and the consolidated balance sheet as at 30th June 2001 of the Group, all of which are condensed, along with selected explanatory notes, are set out on pages 5 to 17 of this report.

BUSINESS OVERVIEW

For the period ended 30th June 2001, the Group’s turnover and profit attributable to shareholders decreased by 11% to approximately HK\$170.2 million and by 47% to approximately HK\$10.6 million respectively compared to the corresponding period in last year.

The decrease in turnover was mainly due to the decrease of sales of manufactured goods by 7% to approximately HK\$119.3 million and decrease of subcontracting fee income by 72% to HK\$5.7 million compared to the corresponding period in last year. The decrease in sales of manufactured goods was mainly due to the slow down of economy in US and Europe market. In the mean time, the decrease of subcontracting fee income was due to recessions in Taiwan consumer market.

The decrease in profit attributable to shareholders by 47% was mainly due to the decrease in contribution from sales of manufactured goods and subcontracting fee income by 24% and 78% respectively.

The gross profit margin of the Group is 16%. Compared with the gross profit margin of 21% in the corresponding period in last year, there has been a decrease in the gross profit margin. Such decrease is due to the increasing competition in the market and the slowdown in US, Europe and Taiwan market.