

I am pleased to inform the shareholders that our Group achieved a satisfactory performance for the last fiscal year despite the adverse effects of the war in Iraq, Severe Acute Respiratory Syndrome and avian flu.

We continue to be the leader in the Chinese wet markets sub-licensing business and maintain our market share and profit ability in the management and sub-licensing of shopping centres and car parks business. Taking advantage of the gradual recovery in the Hong Kong property market, the Group also increased our investment in retail properties with satisfactory returns. We also diversified into the property development business and an agreement to purchase a piece of leasehold land located in Shatin for development purpose was entered into in March 2004.

Our Group's business restructuring was also completed by the injection of our interest in Luxembourg Medicine Company Ltd. and Hunan Xiangya Pharmaceutical Co. Ltd. into Wai Yuen Tong Medicine Holdings Ltd. ("WYTH") during the year. After the restructuring, Wang On will focus on wet market, shopping centres and car parks management and sublicensing, property development and property investment while WYTH would focus on the pharmaceutical and health products related businesses.

Our cash liquidity remains strong with cash and short term investments of over HK\$340 million.

With the continued support of our shareholders, fellow directors, management team and staff, I am confident of Wang On's ability to bring shareholders solid long term returns.

Tang Ching Ho
Chairman

Hong Kong, 9 July 2004