



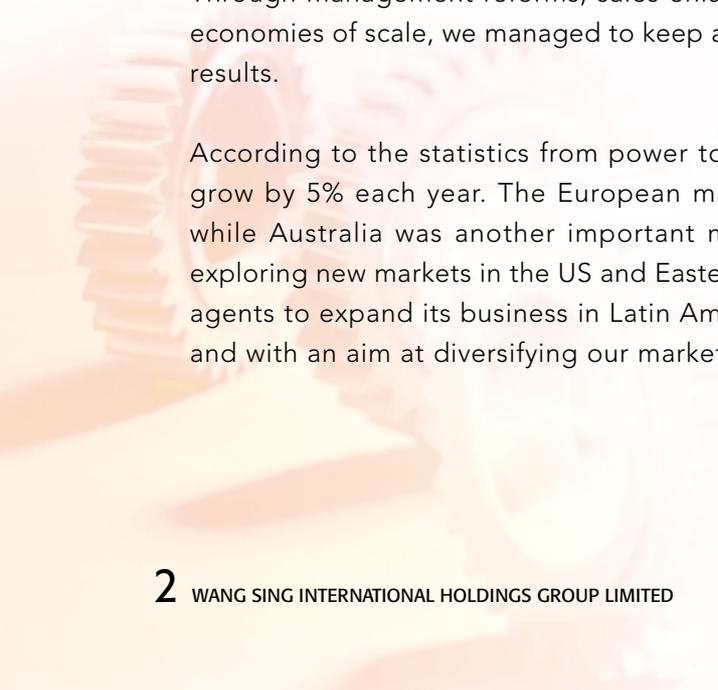
Chairman's Statement

I am pleased to present the results of Wang Sing International Holdings Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2004.

For the period under review, the Group's turnover was HK\$317,569,000 (2003: HK\$242,738,000) and profit attributable to shareholders was HK\$18,182,000 (2003: HK\$12,095,000), representing an earning per share of HK4.7 cents.

During 2004, the Company maintained steady development; it was also a year that the air tool business came into full scale. In order to have our product series consummated and diversified, as well as to expand the customer base and exploit new income sources, while further strengthening the power tool business, the Company also took an active role to expand the air tool business. During the period under review, the Company obtained orders placed by the largest US air compressor brand name, which laid a very solid foundation for the future development of our air tool business. Furthermore, in order to enhance the overall competitiveness, the Company has succeeded to transform to a directly cooperative relationship with famous brand names and chain stores. It also increased its self-production proportion in different stages to promote the Company's economies of scale and further uplift its powerful strengths.

The PRC Government implemented a series of macro-economic austerity measures and controlled over bank credit in 2004, mainly to cool down an overheated economy. However, before the coming of the successful implementation of such measures, the prices of raw materials such as steel, aluminum and copper increased sharply, which constituted pressures on most manufacturing industries. During the period, the Group proactively maintained a dual development of both its power tool business and air tool business, strengthened the R&D and launched new products. Through management reforms, sales enlargement to a greater extent and the enhancement of economies of scale, we managed to keep a steady pace of development and obtained satisfactory results.



According to the statistics from power tool magazine, the global demand for power tools will grow by 5% each year. The European markets have been of great importance to the Group, while Australia was another important market we exploited in 2004. The Group is currently exploring new markets in the US and Eastern Europe. It also appointed established representative agents to expand its business in Latin America so as to strengthen the sales to a greater extent and with an aim at diversifying our market footholds.



Chairman's Statement

The preparation work of the R&D Centre in Taiwan is to be completed. Part of the R&D work commenced in the first quarter of 2005. With the capital investment in the previous few years, the scale and management of the Group's production base has entered into a stable development period. The production capacity of the Group is currently sufficient to cope with the future development. We are confident that leveraging on the management's rich experience in the industry, the intensifying strengths in the professional technology and R&D, the Company will grasp every business opportunity in 2005 to promote the business development and further enhance the profitability of the Company. Apart from the continuous and proactive development of the existing business, the Group will also seek for suitable opportunities of acquisitions and mergers to further develop our business and to expand our market share and consolidate our market position.

The Group has a promising team showing a professional and stable performance. During the year under review, the Group provided training for its staff and organized different kinds of internal activities to enhance the team spirit and sense of belonging. The management and staff are growing with the Company. They are committed to promoting the business of the Company, with the aim of establishing the leading position of the Company in the industry and to achieving outstanding results and bringing fruitful returns to shareholders.

On behalf of the management of the Company, I would like to take this opportunity to express our heartfelt gratitude to all the shareholders and business partners for their support and trust in the past year. I would also like to thank all the staff for their dedication and contribution. We are so eager to take a leading role within the industry and to maintain such a position to work for brilliant achievements in the future.

Chen Wai Yuk

Chairman

Hong Kong, 21 April 2005

Air Tools



