

CHAIRMAN'S STATEMENT



On behalf of Warderly International Holdings Limited ("Warderly"), together with its subsidiaries (the "Group"), I would like to present to you the annual results of the Group for the year ended 30th April, 2005.

During the year under review, the significant increase in oil price and raw material price imposed tremendous pressure on different industries in the global market. As similar to other manufacturers in the industry, the Group was also inevitably affected.

Amidst such challenging business environment the Group introduced a number of effective measures to minimize the adverse impact brought forth by the upsurge in raw material prices. In addition to transferring the increase in cost to customers, the Group also further enhanced its vertical integration model while implementing stringent cost controls. Capitalizing on these effective measures, the Group successfully achieved an encouraging double-digit, year-on-year growth of 15.9% in turnover for the reviewed year.

By leveraging on its extensive sales and distribution network, the Group maintained a reputable and diversified global client base in Europe, North America and Asia.

To satisfy the sophisticated demand from its growing client base, the Group has adopted a fully vertical integration model. Warderly's expanded production facilities enable the Group to enhance its production flexibility, strengthen economies of scale, maintain profit margin and improve operational efficiency.



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Capitalizing on the immense potential brought forth by steady economic growth, improving living standards and favourable market condition, the Group is confident of consolidating its leading market position and is committed to becoming the world's leading consumer household appliances manufacturer and most preferred partner for global renowned brands and ODM/OEM clients, bringing profitable returns to shareholders.

On behalf of the Board, I would like to express my sincere gratitude to our customers, shareholders and dedicated staff members, for their loyalty, continued support and confidence to the Group, which is pivotal to our future success.

Yeung Kui Wong*Chairman*

15th August, 2005

