

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Anex International Holdings Limited, together with its subsidiaries (the "Group"), I announce the annual results for the year ended 31 March 2006.

RESULTS

The Group's turnover dropped by 35.1% to HK\$182.3 million for the year (2005: HK\$280.9 million). The loss per share amounted to HK10.46 cents for the current year.

DIVIDENDS

The Directors do not recommend the payment of any dividend (2005: Nil) for the year ended 31 March 2006.

BUSINESS REVIEW

We revealed in our 2005 Annual Report that the persistent rises of oil and materials cost had constrained the performance of the core business in design and manufacturing of home appliances of the Group. The year ended 31 March 2006 was even harder and the sales turnover was dropped.

This was due to the fact that the drastic increases in prices of essential raw materials and the soaring price of crude oil kept on significantly impacting the cost of production and hampered the lean profit margin. Worse still, the competition of home appliances manufacturing industry was so keen that just part of the increased cost could be passed on to our customers as product prices were invariably the key element of successful transactions. The sales turnover was dropped accordingly.

During the year under review, a substantial inventories of HK\$13.0 million was written off with a loss on disposal of property, plant and equipment of HK\$2.2 million.

PROSPECTS

In view of the persistent hardship pertained to the home appliances manufacturing industry, experienced and competent professionals have been invited to join the Board to enhance corporate management since 2006. The new management team has unanimously agreed that gradual diversification is a must.

The Group is now taking a more aggressive stance to seek for new and lucrative opportunities, aiming to increase the Group's profit and overall performance. More efforts and resources will be deployed in real estate development and building material business in the near future. Our corporate strategy is to strengthen our current setup in home appliances business, but simultaneously diversifies into property development and related building materials business, supported by markets both in Mainland China and Hong Kong.

In conclusion, we would continue to keep abreast on market trends in order to enhance our competitiveness. With such diversification of our current business lines taking place, we believe our prospects will be promising and brilliant.

APPRECIATION

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our customers and business partners for their support. I also like to express my heartfelt thanks to our management team and staff for their efforts over the past year.

By Order of the Board

Cheng Tun Nei

Chairman

Hong Kong

24 July 2006