



On behalf of Warderly International Holdings Limited (“Warderly” or the “Group”), I am pleased to present the annual results of the Group and its subsidiaries for the year ended 30th April, 2006.

During the year under review, the high cost of raw materials has put tremendous pressure on the manufacturing industry. As a result, the Group has begun expanding its factories and production facilities, to sustain a vertically integrated production model to enhance its production flexibility, stringent cost control and minimize the adverse impact brought forth by the upsurge in raw material prices. In addition, the Group has actively devoted its efforts in product diversification to expand its revenue source and stabilize turnover in the long run. Leveraging on its wealth of experience in the production of electrical appliances and specialized electronic products, the

Group continues to seek potential cooperation and business opportunities through combined efforts with worldwide international companies to develop high value-added specialized electronic products to increase its overall gross profit.

The Group is strongly committed in the research and development of products that aim to improve air quality, with the ultimate objective of sustaining living standards betterment for its customers. An Air-to-Air Heat Recovery Ventilator developed by the Group won the 2005 Hong Kong Awards for Industries: Machinery and Equipment Design Certificate of Merit, which fully demonstrated the Group’s contribution in designing and creating environmentally-friendly products. Warderly will continue to partner with well-known academic institutions in Hong Kong in furthering R&D, capitalizing on its research and development capabilities and experiences in manufacturing and production, to develop concept application as its future growth engine.



Looking ahead, Warderly will continue to strengthen its leading position as a one-stop manufacturer offering a wide variety of electrical appliances and consolidate its market share in Europe and North America. The Group will also increase its presence in the China market by developing its renowned self-established brand name and act as the "Authorized Distributor" of overseas brands in order to extend its business reach to the realm of distribution business.

Finally, I would like to express my gratitude to all our business partners, customers and shareholders for their support and trust in the past year. I also want to thank management and staff for their unwavering dedication to the Group.

Yeung Kui Wong

Chairman

Hong Kong, 23rd August, 2006





Fully Integrated Production Process





Extensive Sales Network

