



Hong Kong's best seller of  
packaged egg rolls (AC Nielsen)

Hong Kong's best seller of  
packaged snack meat products  
(AC Nielsen)

Hong Kong's "Superbrands"  
(Superbrands)

# Chairman's Statement



But Ka Wai, Chairman

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Wah Yuen Holdings Limited (“Wah Yuen” or “the Group”), backed by its longstanding heritage, continues to consolidate its leading position as a reputable household brand name in Hong Kong, the People’s Republic of China (the “PRC”) and Chinese communities worldwide.

Despite challenges in the business environment with intensified competition, the Group has successfully maintained stable development as it consolidates its position as a reputed household brand name in the Hong Kong and PRC markets. Leveraging on the Group’s strong brand position and market recognition as the leading one-stop packaged food manufacturer, distributor and retailer in Hong Kong and the PRC, Wah Yuen has successfully tapped into the Japanese market and established a long-term strategic partnership with international conglomerate Sojitz Corporation this year. This 15-year alliance is poised to strengthen the Group’s profitability and business scope in the coming years.

By stepping up cooperative efforts with major distributors and retail chains, the Group continues to surpass its peers and remains the trendsetter for snacks comprising extensive product categories including preserved meats, convenience frozen foods, flour products, preserved fruit and nuts and others. This year, the Group successfully launched a number of new innovative products to enhance its product mix, such as new snack and convenience frozen food products that were favoured by consumers.

Since its inception, Wah Yuen has emphasized on maintaining unparalleled quality, safety as well as hygiene standards across all of its product categories. During the year, the Group was accredited with “Top 100 enterprises in Guangzhou” and the highest level of China Quality Credit Appraise Certificate by the China Quality Credit Appraisal Centre, as a testament of the Group’s continued efforts in promoting product quality and brand recognition in the industry.

Going forward, the Group will continue to focus on developing a wide array of new products to further enrich its product mix and to keep abreast of changes in the market. Wah Yuen will take appropriate measures to further consolidate its strong market foundation in Hong Kong and the PRC. As the Group embarks on its prestigious partnership with the Sojitz Corporation in Japan, it will leverage on its unique strengths to capture the immense business potential of the market and drive the Group's future growth. We remain very optimistic on the partnership and expect to offer premium products to our customers as well as bring fruitful returns to our shareholders.



With our brand recognition and competitive advantages in terms of distribution network, production capabilities, strong partnership, and experienced management, the Group will continue to enjoy a leading edge over its competitors and be a true leader in the snack foods and convenience foods sector.

On behalf of the Group, I would like to express my most sincere gratitude to our shareholders and clients, for their unwavering support. I would also like to take this opportunity to thank our dedicated staff members and the management for their valued contributions over the years. Wah Yuen remains committed to cultivating innovative and quality tastes and products for its customers across the globe, bring them new pleasures and striding towards new heights in its business.

By Order of the Board

**But Ka Wai**

*Chairman*

Hong Kong, 24 April 2007

