WARDERLY INTERNATIONAL HOLDINGS LIMITED

匯多利國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 607)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2009

The board (the "Board") of directors (the "Directors") of Warderly International Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2009, together with the comparative figures for the previous year prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000
Turnover	3	**53,437**	1,285
Cost of sales		**(50,256)**	(1,285)
Gross profit		**3,181**	–
Other income	4	**6,065**	42
Administrative expenses		**(5,708)**	(9,632)
Gain on deconsolidation of subsidiaries	5	–	21,127
Finance costs	6	**(23,937)**	(13,162)
Loss before taxation	7	**(20,399)**	(1,625)
Taxation	8	**(397)**	–
Loss for the year		**(20,796)**	(1,625)
Attributable to:			
Equity holders of the Company		**(20,757)**	(1,625)
Minority interest		**(39)**	–
		(20,796)	(1,625)
Dividend	9	–	–
Loss per share	10		
– Basic		**HK$ (0.05)**	HK cents (0.39)
– Diluted		**N/A**	N/A

* for identification purpose only

CONSOLIDATED BALANCE SHEET

At 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSET			
Property, plant and equipment		–	–
CURRENT ASSETS			
Trade receivables	*11*	**17,874**	1,285
Bank balances and cash		**2,591**	56
		20,465	1,341
CURRENT LIABILITIES			
Trade and other payables	*12*	**41,675**	26,071
Guarantor's liability and accrued liability for potential claims	*13*	**340,346**	319,019
Bank borrowings		**22,948**	20,463
Unsecured bank overdrafts		**2,104**	1,997
Taxation payable		**31,918**	31,521
		438,991	399,071
NET CURRENT LIABILITIES		**(418,526)**	(397,730)
NET LIABILITIES		**(418,526)**	(397,730)
CAPITAL AND RESERVES			
Share capital		**4,220**	4,220
Reserves		**(422,746)**	(401,989)
Capital deficiencies attributable to equity holders of the Company		**(418,526)**	(397,769)
Minority interest		–	39
CAPITAL DEFICIENCIES		**(418,526)**	(397,730)

Notes:

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revised) of the Cayman Islands. Its shares (the "Shares") are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries are trading of household electrical appliances and audio-visual products.

Trading in the Shares on the Stock Exchange has been suspended since 14 May 2007 at the request of the Securities and Futures Commission in Hong Kong (the "SFC") pursuant to sub-Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (subsidiary legislation V of Chapter 571 of the Laws of Hong Kong).

The consolidated financial statements are presented in Hong Kong dollar which is the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In addition, the consolidated financial statements include applicable disclosures required by the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendments or interpretations in issue at the date of authorisation of these consolidated financial statements that are not yet effective. The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Company's ownership interest in a subsidiary. The Directors anticipate that the application of other standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKAS 1 (Revised)	Presentation of Financial Statements [3]
HKAS 23 (Revised)	Borrowing Costs [3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [4]
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation [3]
HKAS 39 (Amendment)	Eligible Hedged Items [4]

HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [3]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards [4]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations [3]
HKFRS 3 (Revised)	Business Combinations [4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments [3]
HKFRS 8	Operating Segments [3]
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives [5]
HK(IFRIC)-Int 13	Customer Loyalty Programmes [6]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate [3]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation [7]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners [4]
HK(IFRIC)-Int 18	Transfers of Assets from Customers [8]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
[2] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.
[3] Effective for annual periods beginning on or after 1 January 2009.
[4] Effective for annual periods beginning on or after 1 July 2009.
[5] Effective for annual periods ending on or after 30 June 2009.
[6] Effective for annual periods beginning on or after 1 July 2008.
[7] Effective for annual periods beginning on or after 1 October 2008.
[8] Effective for transfers on or after 1 July 2009.

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of its net liabilities of approximately HK$419 million as at 30 April 2009.

Trading in the Shares on the Stock Exchange has been suspended since 14 May 2007 at the request of the SFC. The Company submitted the proposal (the "Resumption Proposal") in relation to the resumption of trading in the Shares to the Stock Exchange and the SFC on 30 September 2008.

As part of the Resumption Proposal, the Company proposed to settle all amounts due to certain creditors of the Company (the "Scheme Creditors") by way of the schemes of arrangement to be made between the Company and the Scheme Creditors under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Hong Kong Scheme") and the Companies Law (2007 Revision) of the Cayman Islands (the "Cayman Scheme", together with the Hong Kong Scheme, the "Schemes") respectively.

The implementation of the Schemes will be financed by the proceeds to be raised by the Company by way of the open offer of zero coupon convertible notes (the "Offer Convertible Notes") with an aggregate principal amount of HK$84.4 million (the "Open Offer"). If the conversion rights attaching to the Offer Convertible Notes are fully exercised at the conversion price of HK$0.05 per Share, an aggregate of 1,688,000,000 new Shares will be allotted and issued.

The Open Offer is only available to the shareholders (the "Qualifying Shareholders") on the register of members of the Company on the date for the determination of the entitlements under the Open Offer (the "Record Date") and whose registered addresses as shown on such register on the Record Date are in Hong Kong.

Mr. Kan Che Kin, Billy Albert ("Mr. Kan"), the controlling shareholder of the Company, is the underwriter to the Open Offer. Pursuant to the underwriting agreement dated 8 October 2008 entered into between the Company and Mr. Kan (the "Underwriting Agreement"), Mr. Kan has conditionally agreed to underwrite those Offer Convertible Notes not having been subscribed by the Qualifying Shareholders.

The proceeds from the Open Offer of HK$84.4 million will be used as to (i) HK$37 million for the payment to the Scheme Creditors pursuant to the terms and conditions of the Schemes; (ii) approximately HK$10.4 million for the payment of professional fees and costs in relation to the Resumption Proposal, the proposal for restructuring of the Company, the Schemes and the repayment of the loan due from Up Stand Holdings Limited ("Up Stand") to Mr. Kan pursuant to a loan agreement entered into between Up Stand, the Company and Mr. Kan dated 2 January 2009 (the "Loan Agreement"), which loan is the interim funding to the Group to meet its general working capital requirements; and (iii) the remaining amount of approximately HK$37 million for the general working capital of the Group.

Each of the Hong Kong Scheme and the Cayman Scheme was duly approved by a majority in number (i.e. over 50% in number) of the Scheme Creditors together representing no less than 75% in value of the Scheme Creditors present and voting in person or by proxy at the Scheme Creditors' meeting held on 16 March 2009. The Cayman Scheme was sanctioned by the Grand Court of the Cayman Islands on 27 March 2009 while the Hong Kong Scheme was sanctioned by the High Court of Hong Kong on 6 May 2009.

The Open Offer is conditional and fully underwritten by Mr. Kan. In particular, the Open Offer is conditional upon the lifting of the suspension of trading in the Shares on the Stock Exchange by the SFC, the approval of the Resumption Proposal from the Stock Exchange having been obtained, the approval of the Open Offer and transactions contemplated thereunder by the independent shareholders of the Company, by way of a poll, at an extraordinary general meeting of the Company and the Underwriting Agreement becoming unconditional. Accordingly, the Open Offer may or may not proceed.

The Company is presently in negotiation with the Stock Exchange on the terms of the Resumption Proposal. The Directors consider the conditions precedent to the Open Offer will be satisfied and the Company's liabilities will be settled pursuant to the Schemes. Accordingly, the Directors were satisfied with the financial position of the Group and considered the preparation of the consolidated financial statements on a going concern basis as appropriate.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the fair value of the amounts received and receivable for goods sold to outside customers less returns and allowances during the year.

By business segment

The Group operated in the trading of household electrical appliances and audio-visual products during the current and preceding years. These businesses are the basis on which the Group reports its primary segment information.

Segment information about the aforementioned businesses is set out as follows:–

	Trading of household electrical appliances		Trading of audio-visual products		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER						
External sales	**25,013**	1,285	**28,424**	–	**53,437**	1,285
RESULT						
Segment result	**905**	–	**2,270**	–	**3,175**	–
Unallocated other income					**6,065**	42
Unallocated corporate expenses					**(5,702)**	(9,632)
Gain on deconsolidation of subsidiaries					**–**	21,127
Finance costs					**(23,937)**	(13,162)
Loss before taxation					**(20,399)**	(1,625)
Taxation					**(397)**	–
Loss for the year					**(20,796)**	(1,625)
ASSETS						
Segment assets	**5,470**	1,285	**12,404**	–	**17,874**	1,285
Unallocated corporate assets					**2,591**	56
Consolidated total assets					**20,465**	1,341
LIABILITIES						
Segment liabilities	**5,211**	1,462	**11,497**	134	**16,708**	1,596
Unallocated corporate liabilities					**422,283**	397,475
Consolidated total liabilities					**438,991**	399,071

By geographical market

The Group's turnover for both years and segment assets and liabilities were derived solely in Asia. Accordingly, no analysis of financial information by geographical market is presented.

4. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Interest income on bank deposits	**1**	–
Waiver of accrued directors' remuneration	**5,783**	–
Waiver of other payables	**150**	–
Sundry income	**131**	42
	6,065	42

5. GAIN ON DECONSOLIDATION OF SUBSIDIARIES

The Group held 100% equity interest in Dongguan Kalee Electrical Co., Ltd ("Dongguan Kalee") and Housely Industries Limited ("Housely Industries"), which were established/incorporated in the People's Republic of China (the "PRC") and Hong Kong respectively. The Directors considered that the control over Dongguan Kalee and Housely Industries has been lost as (i) the factory of Dongguan Kalee was sealed up and closed down by the People's Court in Dongguan City of Guangdong Province in the PRC in April 2007 and the Dongguan Intermediate People's Court ordered that Dongguan Kalee be liquidated for settlement of the debts by sale of the factory, land, together with the plant and equipment therein through auction in May 2008, and (ii) on 23 January 2008, the High Court of Hong Kong ordered Housely Industries be wound up.

For the purpose of appropriate presentation and in order to allow the public to evaluate the performance of the Group, Dongguan Kalee and Housely Industries were excluded from consolidation with effect from 1 May 2007 and 1 February 2008 respectively. The details of gain on deconsolidation of subsidiaries were as follows:

	Dongguan Kalee	**Housely Industries**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Property, plant and equipment	114,669	2,870	117,539
Prepaid lease payment	630	–	630
Amount due from ultimate holding company	2,274	–	2,274
Bank balances and cash	996	2,713	3,709
Trade and other payables	(100,885)	(18,610)	(119,495)
Taxation payable	(12,888)	(449)	(13,337)
Bank borrowings	(2,522)	(288,127)	(290,649)
Bank overdrafts	–	(9,242)	(9,242)
Deferred tax liability	–	(222)	(222)
Net assets/(liabilities) deconsolidated	2,274	(311,067)	(308,793)
Release of translation reserve	(28,725)	–	(28,725)
	(26,451)	(311,067)	(337,518)
Guarantor's liability and accrued liability for potential claims (Note)			316,391
Gain on deconsolidation of subsidiaries			(21,127)

Note:

The Company provided corporate guarantees to certain banks to secure the banking facilities granted to Housely Industries and Dongguan Kalee. As Housely Industries had net liabilities and Housely Industries and Dongguan Kalee were in default on payment of such bank borrowings and overdrafts, the Group recognised a liability of approximately HK$299,891,000, equivalent to the outstanding bank borrowings and overdrafts and accrued interest thereon of Housely Industries and Dongguan Kalee, to reflect its obligations under the guarantee arrangements. In addition, the Group accrued an amount of approximately HK$16,500,000 for potential claims against the Group by the creditors of Housely Industries.

6. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings and overdrafts wholly repayable within five years	**2,592**	10,534
Guarantor's liability	**21,327**	2,628
Others	**18**	–
	23,937	13,162

7. LOSS BEFORE TAXATION

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Auditors' remuneration	**350**	400
Staff costs, including Directors' emoluments	**482**	3,774
Retirement benefits scheme contributions, including Directors	**9**	65

8. TAXATION

Taxation for the year represents provision for Hong Kong profits tax calculated at the rate of 16.5% on the estimated assessable profit of a subsidiary of the Company operating in Hong Kong. No provision for Hong Kong Profits Tax has been made for the preceding year as the Group did not have any assessable profit.

At 30 April 2009, the Group had unused tax losses of approximately HK$18,877,000 (2008: HK$18,877,000) available for offset against future profits. No deferred tax assets have been recognised due to the unpredictability of future profit streams. The unused tax losses can be carried forward indefinitely.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for both years.

10. LOSS PER SHARE

The calculation of the basic loss per Share attributable to equity holders of the Company for the year is based on the loss for the year attributable to equity holders of the Company of approximately HK$20,757,000 (2008: HK$1,625,000) and the weighted average number of 422,000,000 (2008: 422,000,000) Shares in issue.

The calculation of diluted loss per Share for the year ended 30 April 2008 did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of the Share during the preceding year before the suspension of trading in Shares on the Stock Exchange in May 2007.

The aforementioned share options were surrendered during the year and the Company had no dilutive potential Shares as at 30 April 2009.

11. TRADE RECEIVABLES

The Group allows its trade customers with a credit period normally ranging from 30 days to 90 days. The trade receivables as at 30 April 2009 and 2008 were aged within 90 days (based on invoice date).

The Directors consider the carrying amounts of trade receivables approximate their fair values.

12. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables	**16,708**	1,596
Other payables	**16,693**	22,201
Amount due to a shareholder	**6,000**	–
Amount due to a deconsolidated subsidiary	**2,274**	2,274
	41,675	26,071

The aged analysis of the Group's trade payables at the balance sheet date is as follows:

	2009	2008
	HK$'000	*HK$'000*
Aged:		
0 to 90 days	**16,397**	1,285
Over 180 days	**311**	311
	16,708	1,596

The amounts due to a shareholder and a deconsolidated subsidiary are unsecured, interest-free and repayable on demand. On 2 January 2009, the Company, Up Stand and Mr. Kan entered into the Loan Agreement in respect of the amount due to a shareholder. Pursuant to the Loan Agreement, Mr. Kan agreed not to demand repayment of any part of the amount due to him on or before 30 September 2009.

The Directors consider the carrying amounts of trade and other payables approximate their fair values.

13. GUARANTOR'S LIABILITY AND ACCRUED LIABILITY FOR POTENTIAL CLAIMS

The amount represents (i) the liability arising from the guarantee arrangements between the Company and Housely Industries and Dongguan Kalee of approximately HK$299,891,000 (2008: HK$299,891,000); (ii) the accrued liability for potential claims against the Group by the creditors of Housely Industries of approximately HK$16,500,000 (2008: HK$16,500,000); and (iii) the accrued interest of approximately HK$23,955,000 (2008: HK$2,628,000) on the outstanding bank borrowings and overdrafts of Housely Industries and Dongguan Kalee of which the Company acts as a guarantor for the period from the respective time Housely Industries and Dongguan Kalee were excluded from consolidation to 30 April 2009.

14. CONTINGENT LIABILITIES

On 10 November 2008, RHT Limited commenced the High Court Action No. 2260 of 2008 ("HCA 2260/2008") in the High Court of Hong Kong against the Company. RHT Limited alleged in its statement of claim in HCA 2260/2008 that the Company and Housely Industries were jointly and severally liable for the obligations under a chinese written contract (the "Contract") dated 3 September 2004 entered into between RHT Limited and Housely Industries and claimed against the Company for the payment of approximately HK$92,565,000, further and/or other relief and costs. The Company in its defence filed on 3 December 2008 denied the above allegation and claim made by RHT Limited against the Company.

On 4 May 2009, RHT Limited amended its statement of claim and alleged that, instead of a common understanding of the joint and several liability of the Company and Housely Industries for the obligations under the Contract, there was an oral agreement between RHT Limited and the Company whereby the Company would indemnify RHT Limited for any loss and damage arising from the Contract. The Company filed its amended defence on 25 May 2009 and denied the existence of the alleged oral agreement and its liability to RHT Limited.

Having regard to the legal advice on the merits of the claim of RHT Limited in HCA 2260/2008, the Company considered that it has a good chance of successfully defending itself.

15. EVENTS AFTER THE BALANCE SHEET DATE

The Hong Kong Scheme was sanctioned by the High Court of Hong Kong on 6 May 2009, details of which are set out in note 2 to this announcement.

OPINION ON INDEPENDENT AUDITOR'S REPORT

Extracts from the report of independent auditor of the Company, PKF, are set out as below:

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 April 2009 and of the loss and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Without qualifying our opinion, we draw attention to note 2(d) to the consolidated financial statements which indicates that as at 30 April 2009, the Group's current liabilities exceeded its current assets and its total liabilities exceeded its total assets by HK$419 million respectively. These conditions, together with the other matters as set forth in note 2(d) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern."

BUSINESS AND FINANCIAL REVIEW

Trading in the Shares on the Stock Exchange has been suspended since 14 May 2007 at the request of the SFC.

Due to the sealing up of its manufacturing facilities in April 2007, since then, the Company, via its subsidiaries, began to concentrate its effort in trading business by securing sales orders from distributors and wholesalers and engaging subcontractors of original equipment manufacturer to manufacture the products. The Group now offers a wide range of products, including digital photo frames, digital enhanced cordless technology phones, baby monitiors, digital TV signal converters, DVD players, turbo fans, water heaters and air-conditioners.

During the year, the Group recorded a turnover of approximately HK$53 million and a loss of approximately HK$21 million. The loss mainly came from the finance costs of approximately HK$24 million in relation to interests accrued on the bank borrowings and overdrafts and guarantor's liability.

IMPORTANT EVENTS AND PROSPECTS

On 30 September 2008, the Company submitted the Resumption Proposal to the Stock Exchange and the SFC. The Resumption Proposal contains, amongst other matters, a restructuring proposal to revitalize the Company's financial position. As part of the Resumption Proposal, the Company proposed to raise HK$84.4 million, before expenses, by way of the Open Offer of the Offer Convertible Notes to the Qualifying Shareholders, which is fully underwritten by Mr. Kan pursuant to the Underwriting Agreement. The Board also proposed to settle the Company's indebtedness due to the Scheme Creditors by way of the schemes of arrangement to be made between the Company and the Scheme Creditors under the Hong Kong Scheme and the Cayman Scheme respectively.

Each of the Hong Kong Scheme and the Cayman Scheme was duly approved by a majority in number (i.e. over 50% in number) of the Scheme Creditors together representing no less than 75% in value of the Scheme Creditors present and voting in person or by proxy at the Scheme Creditors' meeting held on 16 March 2009. The Cayman Scheme was sanctioned by the Grand Court of the Cayman Islands on 27 March 2009 while the Hong Kong Scheme was sanctioned by the High Court of Hong Kong on 6 May 2009.

The Hong Kong Scheme and the Cayman Scheme will become effective upon an office copy of the relevant court order sanctioning the respective scheme having been delivered to the Registrar of Companies in Hong Kong or the Cayman Islands (as the case may be) for registration.

The Company is presently in negotiation with the Stock Exchange on the terms of the Resumption Proposal. Upon completion of the Resumption Proposal, the Company will become almost debt free and additional working capital will be injected into the Group. The Directors will continue to expand the product range and explore products with higher profit margins. Besides, the Directors will look for new business opportunities that offer better returns for the shareholders of the Company and believe that the Group's business will recover gradually.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group had total cash and bank balances of approximately HK$3 million as at 30 April 2009 (2008: approximately HK$0.06 million). Balance of bank overdrafts, bank borrowings and guarantor's liability were approximately HK$349 million as at 30 April 2009 (2008: approximately HK$325 million). The gearing ratio of the Group as at 30 April 2009 calculated as a ratio of total bank loans, bank overdrafts and guarantor's liability to total assets was approximately 1,705% (2008: approximately 24,234%). Net liabilities were approximately HK$419 million (2008: approximately HK$398 million).

The Group recorded total current asset value of approximately HK$20 million as at 30 April 2009 (2008: approximately HK$1 million) and total current liability value of approximately HK$439 million (2008: approximately HK$399 million). The current ratio of the Group, calculated by dividing the total current asset value by the total current liability value, was about 0.05 as at 30 April 2009 (2008: approximately 0.003).

The Group recorded a loss of approximately HK$21 million for the year ended 30 April 2009 (2008: loss of approximately 2 million) and this resulted in a decrease in shareholders' funds to a negative value of approximately HK$419 million as at 30 April 2009 (2008: approximately HK$398 million).

FOREIGN EXCHANGE EXPOSURE

Transactions of the Group were mainly denominated in Hong Kong dollars. The Directors did not consider that the Group was significantly exposed to foreign exchange risk for the year.

TREASURY POLICIES

The Group's major borrowings are in Hong Kong dollars and at variable interest rates. Bank balances and cash held by the Group were denominated in Hong Kong dollars. The Group currently did not have a foreign currency and interest rate hedging policy. However, the management of the Group monitored foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure should the need arise.

PLEDGE OF ASSETS

The Group had no pledged assets as at 30 April 2009.

INVESTMENTS

The Group had not held any significant investment for the year ended 30 April 2009.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

The Group did not have any material acquisition or disposal of subsidiaries or associated companies during the year ended 30 April 2009.

SEGMENTAL INFORMATION

Details of segmental information for the year ended 30 April 2009 are set out in note 3 to this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 April 2009 are set out in note 14 to this announcement.

STAFF AND REMUNERATION POLICIES

As at 30 April 2009, the Group had 6 employees (2008: 5 employees). The Group's total staff costs amounted to approximately HK$0.5 million (2008: HK$4 million) for the year ended 30 April 2009.

Competitive remuneration packages including discretionary bonus, retirement scheme benefits and share options are structured to commensurate with individual job duties, qualifications, performance and years of experience.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control system of the Group and to review the Company's interim and annual reports and financial statements. The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 30 April 2009. The audit committee of the Company currently comprises five independent non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 30 April 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the code provisions as set out in the Code, save and except certain deviations as described below:

1. **Code Provision A.2**

   The Company has not appointed any individual to take up the posts of the chief executive officer and chairman of the Company during the year and the daily operation and management of the Group were monitored by the directors as well as the senior management of the Group. The balance of power and authority was ensured by the operations of the Board and the Board considered that the current structure would not impair the balance of power and authority between the Board and the senior management of the Group.

2. Code Provision A.4.1

Non-executive Directors should be appointed for specific term, subject to re-election. The independent non-executive Directors were not appointed for a specific term, but they were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company at least once every three years.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for approving, among other things, the audited consolidated financial statements of the Group for the year ended 30 April 2009, will be held at 11:00 a.m. on 30 September 2009 details of which are set out in the notice of annual general meeting of the Company which will be published in due course.

By Order of the Board
Warderly International Holdings Limited
Li Kai Yien, Arthur Albert
Director

Hong Kong, 10 July 2009

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Hung Kwok Wa, Mr. Lau Man Tak, Mr. Li Kai Yien, Arthur Albert, Ms. Li Shu Han, Eleanor Stella and Ms. Seto Ying and five independent non-executive Directors, namely Mr. Lau Tai Chim, Mr. Tam Ping Kuen, Daniel, Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.