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ANEX INTERNATIONAL HOLDINGS LIMITED

安歷士國際控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 723)

- (1) NON-LEGALLY BINDING LETTER OF INTENT
OF PROPOSED CO-OPERATION;
(2) UNUSUAL PRICE AND VOLUME MOVEMENT;
AND
(3) RESUMPTION OF TRADING

Financial adviser to the Company



WALLBANCK BROTHERS
Securities (Hong Kong) Limited

Non-Legally Binding Letter of Intent of Proposed Co-operation

The Board is pleased to announce that on 30 April 2007, the Company entered into the non-legally binding Letter of Intent with Eternal concerning the Proposed Co-operation; of which, a) the Company and Eternal are conducting a review and study for better utilization of individual resources and competitive advantages concerning the manufacturing and sale of electrical appliances; b) a subsidiary of Eternal with the plan to prepare for listing as A-Shares, is in the process of considering to invest in or purchase the operating assets of electrical appliances manufacturing business of the Company after its listing; c) the Company is considering to acquire the equity interest of Eternal; d) the Company and Eternal have the intentions to cooperate for developing sales and distribution network of electrical appliances in the PRC; and e) cooperate in promoting the brand name of electrical appliances of the Company.

The Proposed Co-operation is subject to the formal agreement and finalization of the terms and conditions thereof.

Unusual price and volume movement

The Board has noted the recent increase in price and trading volume of the Shares and wishes to state that, save for the non-legally binding Letter of Intent as detailed below, the Board is not aware of any reasons for such movement.

Resumption of trading

Trading in the Shares and Warrants were suspended at the request of the Company at 3:34 p.m. on 27 April 2007 pending the issue of this announcement. Application has been made by the Company for the resumption of trading in Shares and Warrants with effect from 9:30 a.m. on 3 May 2007.

THE LETTER OF INTENT

The Board is pleased to announce that on 30 April 2007, the Company entered into the non-legally binding Letter of Intent with Eternal for the Proposed Co-operation for a better utilization and streamlining of resources and competitive advantages between the Company and Eternal in respect of the manufacturing of electrical appliances business, in order to adapt and excel in current competitive market condition. The Company and Eternal have reached the following preliminary terms and understanding:

A. Review and Study of Manufacturing Operation of Electrical Appliances

The Company and Eternal are conducting a review and study for better utilization of individual resources and competitive advantages concerning the manufacturing and sale of electrical appliances.

B. Proposed Purchase of or Investment in the Operating Assets of the Company by Eternal

Eternal is in the process of considering to invest in or purchase the operating assets of the electrical appliances manufacturing business of the Company, after the listing as A-Shares of the subsidiary of Eternal.

C. Proposed Acquisition of Equity Interest of Eternal by the Company

The Company is considering to acquire the equity interest of Eternal. The aforesaid subsidiary of Eternal is in the process of preparing for its A-Shares listing in the PRC.

D. Proposed Co-operation on Developing Sales and Distribution Network in the PRC

Both the Company and Eternal intend to have the Company to acquire equity interest in another member company of Eternal (not more than 49% in total) which possesses a sales and distribution network in the PRC for the distribution of electrical appliances, following the successful proposed acquisition of the shareholding or investment by Eternal in the operating assets of electrical appliances manufacturing business from the Company for the purpose of cooperating in developing the sales and distribution network in PRC.

E. Proposed brand name promotion of the Company

On the basis that Eternal and the Company will be benefited, both parties have the intention to cooperate in promoting the brand name of electrical appliances of the Company.

F. Due Diligence

A due diligence exercise on the assets, liabilities, company structure, operations and affairs of Eternal and its subsidiaries will be performed by the Company. Eternal will provide assistance to the Company in carrying out such due diligence exercise.

G. Legally Binding

Except for the paragraph F above, the Letter of Intent entered into between the Company and Eternal is for the initial study of co-operation by both parties and is non-legally binding.

REASONS FOR AND BENEFITS OF THE LETTER OF INTENT

The Group's business activities include the designing and manufacturing of electrical appliances and trading of merchandise.

Eternal and its subsidiaries are mainly engaged in the business of manufacturing and sale of electrical appliances.

In order to adapt and excel in the current competitive market condition concerning the sale and manufacturing of electrical appliances, the Company entered into the non-legally binding Letter of Intent with Eternal for the Proposed Co-operation for the purposes of better utilization and streamlining of individual resources and competitive advantages between the Company and Eternal.

As the Proposed Co-operation may or may not proceed, potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

GENERAL

This announcement is made pursuant to Rule 13.09 of the Listing Rules. Should the Proposed Co-operation constitute a notifiable transaction under Chapter 14 of the Listing Rules, further announcement(s) will be made by the Company in compliance with the Listing Rules.

UNUSUAL PRICE AND VOLUME MOVEMENT

The Board has noted the recent increases in the price and trading volume of the Shares and wishes to state that, save for the non-legally binding Letter of Intent as detailed above, the Board is not aware of any reasons for such movement.

We also confirm that there are no negotiations or agreements relating to the non-legally binding Letter of Intent which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

RESUMPTION OF TRADING

Trading in the Shares and Warrants were suspended at the request of the Company at 3:34 p.m. on 27 April 2007 pending the issue of this announcement. Application has been made by the Company for the resumption of trading in Shares and Warrants with effect from 9:30 a.m. on 3 May 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings

“Board” the board of Directors

“Company”	Anex International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Eternal”	Eternal (H.K.) Electric Manufacturing Company Limited, a company incorporated in Hong Kong with limited liability.
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Letter of Intent”	the Chinese letter of intent of 30 April 2007 entered into between the Company and Eternal for the purpose of the Proposed Co-operation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Co-operation”	a) the Company and Eternal are conducting a review and study for better utilization of individual resources and competitive advantages concerning the manufacturing and sale of electrical appliances; b) a subsidiary of Eternal with the plan to prepare for listing as A-Shares, is in the process of considering to invest in or purchase the operating assets of electrical appliances manufacturing business of the Company after its listing; c) the Company is considering to acquire the equity interest of Eternal; d) the Company and Eternal have the intentions to cooperate for developing sales and distribution network of electrical appliances in the PRC; and e) cooperate in promoting the brand name of electrical appliances of the Company.
“Share(s)”	share(s) of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	warrant(s) issued by the Company on 5 July 2006 (Stock code: 473)
“%”	per cent.

By order of the Board of
Anex International Holdings Limited
Cheng Tun Nei
Chairman

Hong Kong, 2 May 2007

As at the date of this announcement, the Directors of the Company are as follows:

Executive Directors:

Mr. Cheng Tun Nei (*Chairman*)
Mr. Kwok Hon Lam (*Vice-Chairman*)
Dr. Siu Miu Man (*Chief Executive Officer*)
Mr. Kwok Chi Hang, Peter
Mr. Cheng Tze Kit, Larry

Independent non-executive Directors:

Mr. Chan Sun Kwong
Mr. Chow Nim Sun, Nelson
Mr. Lam Kwok Cheong

Non-executive Director:

Mr. Yeung Chee Tat

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.