WLS Holdings Limited
滙隆控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8021)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purpose only*

The Board of Directors (the "Board") of WLS Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 30 April 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2010

	NOTES	**2010** *HK$'000*	2009 *HK$'000*
Turnover	*2*	**133,273**	147,612
Cost of sales		**(109,492)**	(119,885)
Gross profit		**23,781**	27,727
Other income	*4*	**2,152**	1,115
Administrative expenses		**(35,795)**	(24,313)
Increase/(decrease) in fair value of investment properties		**5,350**	(2,038)
Loss on disposal of investment property		**(1,050)**	–
Finance costs	*5*	**(3,915)**	(3,628)
Share of results of jointly controlled entities		**–**	(471)
Loss before taxation		**(9,477)**	(1,608)
Taxation	*6*	**1,635**	1,781
(Loss)/profit for the year	*7*	**(7,842)**	173
Other comprehensive income/(loss), net of tax			
Fair value gain/(loss) on property, plant and equipment		**59**	(75)
Total comprehensive (loss)/income for the year		**(7,783)**	98
Attributable to:			
Equity holders of the Company		**(7,725)**	82
Minority interests		**(58)**	16
		(7,783)	98
Dividend	*8*	**–**	–
(Loss)/earnings per share – basic	*9*	**(HK0.98 cent)**	HK0.01 cent

CONSOLIDATED BALANCE SHEET
AT 30 APRIL 2010

	NOTES	2010 HK$'000	2009 HK$'000
Non-current assets			
Investment properties		**17,070**	17,720
Property, plant and equipment		**21,917**	24,816
Prepaid lease payments		**4,003**	4,109
Goodwill		**3,138**	3,138
Interests in associates		**–**	–
Interests in jointly controlled entities		**–**	–
		46,128	49,783
Current assets			
Amounts due from associates		**1,174**	1,089
Amounts due from jointly controlled entities		**6,905**	6,893
Prepaid lease payments		**113**	121
Inventories		**1,272**	2,267
Trade and other receivables	*10*	**112,467**	96,534
Amounts due from customers for contract work		**28,770**	41,465
Retention monies receivable		**7,704**	8,966
Current tax recoverable		**223**	–
Prepayments, deposits and other current assets		**2,492**	3,288
Bank balances and cash		**435**	2,050
		161,555	162,673
Current liabilities			
Trade and other payables	*11*	**12,694**	17,048
Amounts due to customers for contract work		**4,468**	7,663
Retention monies payable		**5,006**	4,201
Current tax payable		**–**	597
Amount due to an associate		**74**	–
Convertible loan note – current portion		**10,118**	–
Other loans – unsecured		**5,958**	9,908
Obligations under finance leases		**395**	395
Bank loans – current portion		**15,218**	26,172
Bank overdrafts		**9,430**	13,830
		63,361	79,814
Net current assets		**98,194**	82,859
Total assets less current liabilities		**144,322**	132,642

	NOTES	**2010** *HK$'000*	2009 *HK$'000*
Non-current liabilities			
Convertible loan note – non-current portion		**–**	9,935
Obligations under finance leases – non-current portion		**263**	658
Bank loans – non-current portion		**26,334**	12,904
Deferred tax liabilities		**766**	2,027
		27,363	25,524
		116,959	107,118
Capital and reserves			
Share capital		**8,191**	7,353
Reserves		**110,221**	101,160
Equity attributable to equity holders of the Company		**118,412**	108,513
Minority interests		**(1,453)**	(1,395)
		116,959	107,118

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital	Share premium	Merger reserve	Share option reserve	Convertible note equity reserve	Warrant reserve	Revaluation reserve	Retained profits	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 May 2008	**7,353**	**60,935**	**2,222**	**6,836**	**–**	**–**	**1,546**	**27,771**	**106,663**	**(1,411)**	**105,252**
Total comprehensive income for the year	–	–	–	–	–	–	(75)	157	82	16	98
Reclassification of owner-occupied building to investment property	–	–	–	–	–	–	(25)	–	(25)	–	(25)
Issue of convertible loan note	–	–	–	–	143	–	–	–	143	–	143
Grant of share options	–	–	–	1,650	–	–	–	–	1,650	–	1,650
Share options cancelled during the year	–	–	–	(897)	–	–	–	897	–	–	–
At 1 May 2009	7,353	60,935	2,222	7,589	143	–	1,446	28,825	108,513	(1,395)	107,118
Total comprehensive loss for the year	–	–	–	–	–	–	59	(7,784)	(7,725)	(58)	(7,783)
Issue of warrant	–	–	–	–	–	120	–	–	120	–	120
Placing of shares	750	14,290	–	–	–	–	–	–	15,040	–	15,040
Exercise of share options	88	1,822	–	–	–	–	–	–	1,910	–	1,910
Grant of share options	–	–	–	554	–	–	–	–	554	–	554
Share options lapsed during the year	–	–	–	(469)	–	–	–	469	–	–	–
At 30 April 2010	**8,191**	**77,047**	**2,222**	**7,674**	**143**	**120**	**1,505**	**21,510**	**118,412**	**(1,453)**	**116,959**

Notes:

(1) At 30 April 2010, the retained profits of the Group included accumulated losses of HK$143,000 (2009: accumulated losses of HK$143,000) attributable to associates of the Group.

(2) At 30 April 2010, the retained profits of the Group included accumulated losses of HK$304,000 (2009: retained profits of HK$304,000) attributable to jointly controlled entities of the Group.

(3) The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal value for the issued share capital of the subsidiaries acquired pursuant to the Group's reorganisation on 23 November 2001.

(4) The share option reserve of the Group represents the fair value of share options granted to employees of the Company at the relevant grant dates.

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost basis except for certain properties which are measured at fair values.

The principal accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2010 are consistent with those adopted in the preparation of the financial statements for the year ended 30 April 2009, except for the adoption of the new and revised HKFRSs as explained in (c) below.

The financial statements are presented in Hong Kong dollars, which is also the functional currency of the Group.

(c) Adoption of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, the following new HKFRSs, amendments and Interpretations:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 Amendment	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKAS 32 Amendment	Financial Instruments: Presentation
HKAS 39 Amendment	Financial Instruments: Recognition and Measurement
HKFRS 1 Amendment	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 2 Amendment	Vesting Conditions and Cancellations
HKFRS 7 Amendment	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
Improvements to HKFRSs 2008	Improvements to HKFRS issued in 2008 except for the amendment to HKFRS 5 that is effective for annual reporting periods beginning or after 1 July 2009
Improvements to HKFRSs 2009	Improvements to HKFRS issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

The application of the new HKFRSs has had no material effect on results and financial positions for the current and prior accounting periods.

The group has not early applied the following new standards or interpretations that have been issued but are not yet effective. The Company is still not in the position to estimate the impact that may arise from the application of these new standards and interpretations.

HKAS 24 (Revised)	Related Party Disclosures
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 Amendment	Classification of Rights Issues
HKAS 39 Amendment	Eligible Hedged Items
HKFRS 1 Amendment	Additional Exemptions for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKFRS 9	Financial Instruments
HK(IFRIC)-Int 14 Amendment	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 17	Distributions of Non-cash Asset to Owners
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRSs 2008	Amendments to HKFRS 5
Improvements to HKFRSs 2009	Amendments to HKFRSs 2, 5 & 8, HKASs 1, 7, 17, 18, 36, 38 & 39 and HK(IFRIC)-Int 9 & 16
Improvements to HKFRSs 2010	Amendments to HKFRSs 1, 3 & 7, HKASs 1, 27 & 34 and HK(IFRIC) – Int 13

2. TURNOVER

	2010	2009
	HK$'000	*HK$'000*
Contract revenue in respect of construction and building works for the provision of		
– scaffolding services	**89,313**	91,176
– fitting out services	**29,860**	14,321
Management contracting services	**(4,200)**	28,143
Gondolas, parapet railings and access equipment installation and maintenance services	**18,300**	13,972
	133,273	147,612

3. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. For the year ended 30 April 2010, the Group has 3 reportable segments – (i) scaffolding and fitting out service for the construction and building works, (ii) management contracting service for the construction and building works, and (iii) gondolas, access equipment, parapet railing installation and maintenance services. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the year ended 30 April 2010 is presented below:

	Scaffolding and fitting out services for the construction & building works *HK$'000*	**Management contracting services for the construction and building works** *HK$'000*	**Gondolas, parapet railing and access equipment installation and maintenance services** *HK$'000*	**Consolidated** *HK$'000*
For the year ended 30 April 2010				
REVENUE				
Total external sales	**119,173**	**(4,200)**	**18,300**	**133,273**
SEGMENT RESULTS				
Gross profit/(loss)	**22,056**	**(6,117)**	**7,842**	**23,781**
Allocation of corporate income/(expenses)	**(27,644)**	**3,890**	**(8,393)**	**(32,147)**
	(5,588)	**(2,227)**	**(551)**	**(8,366)**
Other income				**964**
Increase in fair value of investment properties				**5,350**
Loss on disposal of investment property				**(1,050)**
Unallocated corporate expenses				**(4,918)**
Unallocated finance costs				**(1,457)**
Loss before taxation				**(9,477)**
Taxation				**1,635**
Loss for the year				**(7,842)**

Balance Sheet

	Scaffolding and fitting out services for the construction and building works *HK$'000*	Management contracting services for the construction and building works *HK$'000*	Gondolas, parapet railing and access equipment installation and maintenance services *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	**93,617**	**44,563**	**28,225**	**166,405**
Interests in jointly controlled entities				**–**
Amounts due from jointly controlled entities				**6,905**
Amounts due from associates				**1,174**
Unallocated corporate assets				**33,199**
Consolidated total assets				**207,683**
LIABILITIES				
Segment liabilities	**17,426**	**1,572**	**2,213**	**21,211**
Unallocated corporate liabilities				**69,513**
Consolidated total liabilities				**90,724**

Other Information

	Scaffolding and fitting out services for the construction and building works *HK$'000*	Management contracting services for the construction and building works *HK$'000*	Gondolas, parapet railing and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital expenditure	**107**	**–**	**818**	**–**	**925**
Depreciation	**3,055**	**16**	**468**	**294**	**3,833**
Release of prepaid lease payments	**–**	**–**	**–**	**113**	**113**
Allowance for bad and doubtful debts	**11,320**	**1,274**	**1,908**	**–**	**14,502**
Increase in fair value of investment properties	**–**	**–**	**–**	**5,350**	**5,350**
Gain on disposal of property, plant and equipment	**258**	**–**	**–**	**–**	**258**
Loss on disposal of property, plant and equipment	**(12)**	**(12)**	**(11)**	**–**	**(35)**

For the year ended 30 April 2009, the Group had 3 reportable segments – (i) scaffolding and fitting out service for the construction and building works, (ii) management contracting service for the construction and building works, and (iii) gondolas, access equipment, parapet railing installation and maintenance services. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There were no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the year ended 30 April 2009 is presented below:

	Scaffolding and fitting out services for the construction & building works *HK$'000*	**Management contracting services for the construction and building works** *HK$'000*	**Gondolas, parapet railing and access equipment installation and maintenance services** *HK$'000*	**Consolidated** *HK$'000*
For the year ended 30 April 2009				
REVENUE				
Total external sales	105,497	28,143	13,972	147,612
SEGMENT RESULTS				
Gross profit	16,824	8,478	2,425	27,727
Allocation of corporate expenses	(13,096)	(4,682)	(6,946)	(24,724)
	3,728	3,796	(4,521)	3,003
Other income				1,115
Decrease in fair value of investment properties				(2,038)
Unallocated corporate expenses				(2,398)
Unallocated finance costs				(819)
Share of results of jointly controlled entities				(471)
Loss before taxation				(1,608)
Taxation				1,781
Profit for the year				173

Balance Sheet

	Scaffolding and fitting out services for the construction and building works *HK$'000*	Management contracting services for the construction and building works *HK$'000*	Gondolas, parapet railing and access equipment installation and maintenance services *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	74,648	75,538	18,715	168,901
Interests in jointly controlled entities				–
Amounts due from jointly controlled entities				6,893
Amounts due from associates				1,089
Unallocated corporate assets				35,573
Consolidated total assets				212,456
LIABILITIES				
Segment liabilities	22,047	2,135	3,149	27,331
Unallocated corporate liabilities				78,007
Consolidated total liabilities				105,338

Other Information

	Scaffolding and fitting out services for the construction and building works *HK$'000*	Management contracting services for the construction and building works *HK$'000*	Gondolas, parapet railing and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital expenditure	116	–	486	–	602
Depreciation	3,132	27	385	318	3,862
Release of prepaid lease payments	–	–	–	121	121
Allowance for bad and doubtful debts	2,016	70	256	15	2,357
Decrease in fair value of investment properties	–	–	–	(2,038)	(2,038)
Gain on disposal of property, plant and equipment	66	–	–	–	66

Geographical Segments

	Revenue		Carrying amount of segment assets		Capital expenditure incurred during the year	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**133,585**	117,958	**120,318**	156,462	**925**	602
Macau	**(312)**	27,611	**46,087**	54,874	**–**	–
Other jurisdiction	**–**	2,043	**–**	1,120	**–**	–
	133,273	147,612	**166,405**	212,456	**925**	602

4. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Gain on foreign exchange	**194**	118
Gain on disposal of property, plant and equipment	**258**	66
Interest income	**11**	83
Rental income, net of outgoings of nil (2009: Nil)	**660**	590
Sundry income	**1,029**	258
	2,152	1,115

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on other loans	**388**	–
Interest on bank loans		
– wholly repayable within five years	**2,253**	2,765
– wholly repayable beyond five years	**236**	241
Interest on obligations under finance leases	**39**	44
Interest on convertible loan note	**999**	578
	3,915	3,628

6. TAXATION

	2010	2009
	HK$'000	*HK$'000*
The credit/(charge) comprises:		
Hong Kong Profits Tax		
Current year	–	(287)
Overprovision/(underprovision) in prior years	**373**	(92)
	373	(379)
Macau Complementary tax		
Current year	–	–
Overprovision in prior year	–	1,498
	–	1,498
Deferred tax		
Current year	**1,262**	662
	1,635	1,781

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year.

Taxation arising in Macau is calculated at the rate applicable to that jurisdiction.

7. (LOSS)/PROFIT FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
(Loss)/profit for the year has been arrived at after charging/(crediting):		
Allowance for bad and doubtful debts	**14,502**	2,357
Auditors' remuneration	**476**	594
Cost of inventories recognised as expenses	**154**	93
Depreciation		
Owned assets	**3,515**	3,544
Assets held under finance leases	**318**	318
	3,833	3,862
Less: Amount capitalised to construction contracts	**(403)**	(706)
	3,430	3,156
Loss on disposal of investment property	**1,050**	–
Release of prepaid lease payments	**113**	121
Gain on disposal of property, plant and equipment	**(258)**	(66)
Loss on disposal of property, plant and equipment	**35**	20
Minimum lease payments for operating leases in respect of land and buildings	**1,440**	2,011
Less: Amount capitalised to construction contracts	**(1,174)**	(1,647)
	266	364
Staff costs including directors' emoluments		
– Equity-settled share option expenses	**554**	1,650
– Settled by other means	**28,747**	37,834
	29,301	39,484
Less: Amount capitalised to construction contracts	**(18,915)**	(28,880)
	10,386	10,604

8. DIVIDEND

	2010	2009
	HK$'000	*HK$'000*
Final dividend paid in respect of 2009 of Nil (2008: Nil)	**–**	–
Final dividend in respect of 2010 of Nil (2009: Nil)	**–**	–

No final dividend has been proposed by the directors for the year ended 30 April 2010 (2009: Nil).

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit attributable to the equity holders of the Company for the year and on the weighted average number of 789,488,994 (2009: 735,342,693) ordinary shares in issue during the year.

No diluted (loss)/earnings per share has been disclosed as no diluting events existed during the year.

10. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**102,928**	98,098
Less: Allowance for bad and doubtful debts	**(11,160)**	(1,564)
	91,768	96,534
Other receivables	**20,699**	–
	112,467	96,534

Movements in allowance for bad and doubtful debts during the year were as follows:–

	2010	2009
	HK$'000	*HK$'000*
1 May 2009	**1,564**	9,274
Amounts written off as uncollectible	**(1,564)**	(9,274)
Allowance for bad and doubtful debts recognised	**11,160**	1,564
30 April 2010	**11,160**	1,564

The credit terms given to each individual customer were in accordance with the payment terms stipulated in the relevant tenders or contracts. The aged analysis of trade and other receivables is as follows:

	2010	2009
	HK$'000	*HK$'000*
0 to 90 days	**55,961**	55,337
91 to 180 days	**8,355**	9,424
181 to 365 days	**4,742**	20,184
Above 1 year to 2 years	**23,793**	6,290
Above 2 years	**19,616**	5,299
	112,467	96,534

The directors consider the fair values of trade and other receivables at 30 April 2010 approximate their carrying amounts.

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$8,643,000 (2009: HK$11,213,000) with an aged analysis as follow:

	2010	2009
	HK$'000	*HK$'000*
0 to 90 days	**4,957**	6,493
91 to 180 days	**1,627**	3,150
181 to 365 days	**1,980**	1,358
Above 1 year	**79**	212
	8,643	11,213

The directors consider the fair values of trade and other payables at 30 April 2010 approximate their carrying amounts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 30 April 2010, the turnover of the Group amounted to approximately HK$133,273,000, representing a decrease of about 10% as compared with a turnover of approximately HK$147,612,000 of the preceding year. Loss attributable to equity holders for the year ended 30 April 2010 amounted to approximately HK$7,725,000 as compared to profit attributable to equity holders of approximately HK$82,000 of last year.

During the past year, the Hong Kong economy experienced a gradual recovery from the economic downturn caused by the global financial crisis in 2008. The growth and prosperity of the Chinese economy continued to provide robust impetus presenting ample business opportunities for local enterprises.

During the year ended 30 April 2010, the Group maintained its position as the market leader in the scaffolding industry. The contribution from the provision of scaffolding services for the renovation and refurbishment sector supplemented the main revenues from scaffolding services rendered to construction sites. Besides, the positive feedback from the Group's major customer in respect of new products such as climbing scaffolds and H-frame scaffolds in large-scale development projects further reinforced the foresight of the management of the Group in developing and marketing the climbing scaffold as an alternative scaffolding product with substantial market opportunities.

With regard to the fitting out business division, a total of 6 new contracts were awarded during the year. They comprised the supply and installation of fitting out works for (1) the clubhouse of La Grove in Lung Tin Village, Yuen Long, (2) Hill Paramount, (3) residential development in 220-222 Tai Kok Tsui Road, (4) residential development in Tuen Mun Town Lot 447, (5) interior renovation of Union Hospital Extension Phase 3 Café and (6) the supply and installation of suspended ceilings in Peak One (Site A) in Tao Fung Shan, Shatin. The gradual expansion of the market share of the Group in the fitting out sector has further increased the client base and enhanced the goodwill of the fitting out business division thus boosting the confidence of the clients in the quality and reliability of this business division.

In respect of the access equipment business division, the contract for the design, supply, installation of access equipment for the Stonecutters Bridge proceeded according to plan and was successfully completed during the year ended 30 April 2010. In addition, the Group's fleet of temporary gondolas attained almost full utilization level and the Group predicts a sustained demand and has decided to expand the temporary gondola fleet to maximize our capacity to tap into this booming market.

Regarding the international business division, the current works contract for the supply and installation of access equipment to Parkview Green Plaza, a landmark building in Beijing proceeded according to plan and the delivery and handover of access equipment was completed during the year ended 30 April 2010. Concurrently, the delivery and installation of access equipment at the Venetian Site (Parcel 2) in Macau were completed to the satisfaction of the client. Looking forward, the Group will embark on vigorous marketing activities to secure an increased number of new access equipment contracts for developments in Hong Kong and China.

In regard to the research and development business division, the Group's application for a Metal Bamboo Matrix System Scaffolding patent, based on its PRC (People's Republic of China) Patent, was approved and the patent was granted by the Macau Intellectual Property Office during the year ended 30 April 2010. The grant of this patent further cemented the Group's position as an innovator of the working platform provider market.

BUSINESS OUTLOOK

The Hong Kong economy recently is experiencing a considerable rebound. Consumer confidence and the investment climate are gradually picking up from the global market turmoil and recession of 2008. The enormous business potential of the PRC market especially in the land development, natural resources, environmental friendly energy sources and products can present ample opportunities for the Group to benefit in penetrating into the PRC market.

At the same time, the management of the Group is committed to vigilant cost control and resource optimization in all business and operating units. By implementing stringent budgetary control and prudent business strategy with insight, the management of the Group is of the opinion that its business is on the right track amidst the current global economic environment and stands to benefit from a sustained rebound of the world business cycle.

Project Portfolio (As at 30 April 2010)

Hong Kong

– The Latitude
– Aria in Fei Ngo Shan
– One Hyde Park, Pak Sha Tsuen, Yuen Long
– Valais in Kwu Tung, Sheung Shui
– Hill Paramount in Shatin Town Lot 539
– Residential Development at Tuen Mun Town Lot 447
– Residential Development of Choi Wan Road Site 2 Phase 2
– Residential Development at 863-865, King's Road, North Point
– Residential Development at 81 Broadcast Drive, Kowloon Tong
– Residential Development at 1-1A Oxford Road, Kowloon Tong
– Residential Development at Hung Shui Kiu (Site C), Yuen Long
– Residential Development at 18 Po Yip Street, Yuen Long
– Commercial Development at 18 Wang Chiu Road, Kowloon Bay
– Customs Headquarters in Tin Chiu Street, North Point
– Community College of City University Building

– Union Hospital Extension Phase 3 Cafe
– Hotel Development at 38 Chong Yip Street, Kwun Tong
– Hotel Development at 84-86 Tai Kok Tsui Road, Tai Kok Tsui
– Kee Wah Factory Extension in Tai Po Industrial Estate
– Kennedy Town Swimming Pool (Phase 1)
– Refurbishment of Amoy Garden (Phase 4)
– Refurbishment of Robinson Heights
– Refurbishment of Port Centre Arcade, Aberdeen
– Refurbishment of Siu Sai Wan Shopping Centre

China

– Parkview Green Plaza, Beijing

FINANCIAL REVIEW AND ANALYSIS

During the year under review, the Group recorded a turnover of approximately HK$133,273,000, representing a decrease of approximately 10% as compared with that of the preceding year. Nevertheless, the management of the Group continued to diversify by businesses line and geographic market of the Company. The decrease in new business and works contracts in Macau and the fitting out division accounted for a reduction of turnover in Hong Kong. However, the increase in business turnover of the access equipment division partially offset the business contraction in Macau and the fitting out division.

Gross profit of the Company decreased by 14% as compared with last year whilst gross profit margin maintained at 18% during the year. Gross profit margin of the Hong Kong scaffolding division was maintained despite the current severe competition.

Due to the provision for bad and doubtful debts amounting to HK$14,502,000 during the year, administrative expenses increased by 47% as compared with the preceding year. The management of the Group continues to adopt a policy of vigilant cost monitoring and operation streamlining in an effort to minimise cost and optimise efficiency.

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

During the year under review, the Group financed its operations by internally generated cash flows, banking facilities and finance leases provided by banks and finance companies. As at 30 April 2010, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were HK$118,412,000 (2009: HK$108,513,000), HK$161,555,000 (2009: HK$162,673,000), HK$98,194,000 (2009: HK$82,859,000) and HK$207,683,000 (2009: HK$212,456,000) respectively.

As at 30 April 2010, the Group's consolidated bank overdrafts and bank loans were HK$9,430,000 (2009: HK$13,830,000) and HK$41,552,000 (2009: HK$39,076,000) respectively. As at 30 April 2010, the Group's bank loans had an amount of HK$15,218,000 maturing in 2011 and HK$26,334,000 maturing in and after 2011. As at 30 April 2010, obligations under finance leases amounted to HK$658,000 (2009: HK$1,053,000), of which HK$395,000 is due for repayment in 2011 and HK$263,000 is due for repayment after 2011.

As at 30 April 2010, the Group's bank and cash balances amounted to HK$435,000 (2009: HK$2,050,000). As at 30 April 2010, the Group's gearing ratio (total bank borrowings and obligations under finance leases divided by shareholders' fund) was about 44% (2009: 50%).

Most of the Group's bank and cash balances, short-term and long-term bank borrowings and obligations under finance leases were denominated in Hong Kong dollars. Most of the bank borrowings bear interest at market rates and are repayable by instalments over a period of 3 months to 2 years. Obligations under finance leases have an average lease term of 1 year. All such leases have interest rates fixed at the contract date and fixed repayment bases.

The Directors believe that the Group is in a healthy financial position and has sufficient resources to discharge its debts and to satisfy its commitments and working capital requirements.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 April 2010 (year ended 30 April 2009: Nil).

SEGMENT INFORMATION

Operating segments

The Group is currently organised into 3 operating segments – (i) scaffolding and fitting out service for construction and building works, and (ii) management contracting service for construction and building works and (iii) gondolas, parapet railings and access equipment installation and maintenance services. Details of result by business segments are shown in note 3 above.

Geographical segments

The customers of the three divisions of the Group are situated in Hong Kong, Macau and PRC. Note 3 above provides analysis of the turnover, carrying amounts of segment assets and capital expenditure by geographical markets.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Directors do not have any future plans for material investments or capital assets.

PLEDGE ON ASSETS

At the balance sheet date, the Group has pledged the following assets as against general banking facilities granted to the Group:

	2010	2009
	HK$'000	*HK$'000*
Investment properties	**17,070**	17,720
Prepaid lease payments	**4,117**	4,230
Buildings	**10,800**	11,000

FOREIGN EXCHANGE EXPOSURE

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars. The Directors consider that the potential foreign exchange exposure of the Group is limited.

CONTINGENT LIABILITIES

At 30 April 2010, the Group provided counter indemnities amounting to HK$2,437,000 (2009: HK$2,635,000) to banks for surety bonds issued by the banks in respect of construction contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2010, the total number of full-time employees of the Group was 113 (2009: 106). The total remuneration paid to employees (including directors' emoluments) amounted to HK$29,301,000 in 2010 (2009: HK$39,484,000). Employees are remunerated according to their performance and working experience. In addition to basic salaries and participation in the mandatory provident fund scheme, staff benefits include performance bonus, medical scheme, share options and training.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 30 April 2010.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2010 have been agreed by the Group's auditors, Moore Stephens, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Moore Stephens in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Stephens on the preliminary announcement.

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

For the year ended 30 April 2010, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE

The Code on Corporate Governance Practice set out in Appendix 15 to the GEM Listing Rules ("Code on Corporate Governance Practices") which is effective for the accounting periods commencing on or after 1 January 2005 has replaced the minimum standard of good practices for issuers and their directors stated in Rules 5.35 to 5.45 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code on Corporate Governance Practices. A Corporate Governance Report will be despatched with the annual report of the Company.

AUDIT COMMITTEE

The Company established an audit committee on 9 November 2001 with written terms of reference that clearly establish the audit committee's authority and duties. The audit committee currently comprises 3 independent non-executive directors of the Company, Mr. Lam Kwok Wing, Mr. Yeung Po Chin and Dr. Fung Ka Shuen.

The primary duties of the audit committee are to review the Company's annual report and accounts, half-year report and quarterly reports and provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

Five audit committee meetings were held since 1 May 2009 up to the date of this announcement.

By order of the Board
WLS HOLDINGS LIMITED
So Yu Shing
Chairman

Hong Kong, 23 July 2010

As at the date of this announcement, the Board comprises Dr. So Yu Shing (Chairman and Executive Director), Mr. Kong Kam Wang (Executive Director and Chief Executive Officer), Ms. Lai Yuen Mei Rebecca (Executive Director), Mr. Woo Siu Lun (Executive Director), Mr. Lam Kwok Wing (Independent Non-executive Director), Mr. Yeung Po Chin (Independent Non-executive Director), Dr. Fung Ka Shuen (Independent Non-executive Director) and Mr. Hui Tung Wah (Non-executive Director).

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at www.wls.com.hk.