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 2011

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") announces the consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 30 April 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2011

	NOTE	**2011** *HK$'000*	2010 *HK$'000*
Turnover	2	**105,741**	133,273
Cost of sales		**(86,235)**	(109,492)
Gross profit		**19,506**	23,781
Other income	4	**1,134**	2,152
Operating expenses		**(49,174)**	(35,795)
Increase in fair value of investment properties		**5,420**	5,350
Loss on disposal of investment property		**–**	(1,050)
Finance costs	5	**(2,927)**	(3,915)
Share of results of jointly controlled entities		**(2,100)**	–
Loss before taxation		**(28,141)**	(9,477)
Taxation	6	**(689)**	1,635
Loss for the year	7	**(28,830)**	(7,842)
Other comprehensive (loss)/income, net of tax:–			
Fair value (loss)/gain on property, plant and equipment		**(20)**	59
Total comprehensive loss for the year		**(28,850)**	(7,783)
Loss attributable to:			
Equity holders of the Company		**(27,240)**	(7,784)
Non-controlling interests		**(1,590)**	(58)
		(28,830)	(7,842)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(27,260)**	(7,725)
Non-controlling interests		**(1,590)**	(58)
		(28,850)	(7,783)
Dividend	8	**–**	–
Loss per share – basic	9	**(HK3.10 cents)**	(HK0.98 cent)

CONSOLIDATED BALANCE SHEET
AT 30 APRIL 2011

	NOTE	**30 April 2011 HK$'000**	30 April 2010 HK$'000 (restated)	1 May 2009 HK$'000 (restated)
Non-current assets				
Investment properties		**22,490**	17,070	17,720
Property, plant and equipment		**28,606**	26,033	29,046
Goodwill		**3,138**	3,138	3,138
Interests in associates		**–**	–	–
Interests in jointly controlled entities		**–**	–	–
		54,234	46,241	49,904
Current assets				
Amounts due from associates		**1,185**	1,174	1,089
Amounts due from jointly controlled entities		**5,220**	6,905	6,893
Amounts due from customers for contract work		**49,212**	28,770	41,465
Inventories		**1,488**	1,272	2,267
Prepayments, deposits and other current assets		**2,449**	2,492	3,288
Trade and other receivables	*10*	**68,292**	112,467	96,534
Retention monies receivable		**5,597**	7,704	8,966
Current tax recoverable		**94**	223	–
Pledged bank deposits		**680**	–	–
Bank balances and cash		**1,419**	435	2,050
		135,636	161,442	162,552
Current liabilities				
Amount due to an associate		**48**	74	–
Convertible loan note – current portion		**–**	10,118	–
Other loans – unsecured		**5,904**	5,958	9,908
Amounts due to customers for contract work		**71**	4,468	7,663
Trade and other payables	*11*	**14,733**	12,694	17,048
Retention monies payable		**3,453**	5,006	4,201
Obligations under finance leases – current portion		**296**	395	395
Current tax payable		**–**	–	597
Bank loans		**39,447**	41,552	39,076
Bank overdrafts		**11,338**	9,430	13,830
		75,290	89,695	92,718
Net current assets		**60,346**	71,747	69,834
Total assets less current liabilities		**114,580**	117,988	119,738

	NOTE	30 April 2011 HK$'000	30 April 2010 HK$'000 (restated)	1 May 2009 HK$'000 (restated)
Non-current liabilities				
Convertible loan note – non-current portion		–	–	9,935
Obligations under finance leases – non-current portion		**569**	263	658
Deferred tax liabilities		**1,966**	766	2,027
		2,535	1,029	12,620
Net assets		**112,045**	116,959	107,118
Capital and reserves				
Share capital		**9,989**	8,191	7,353
Reserves		**105,099**	110,221	101,160
Equity attributable to equity holders of the Company		**115,088**	118,412	108,513
Non-controlling interests		**(3,043)**	(1,453)	(1,395)
		112,045	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 loan note equity reserve	Warrant reserve	Revaluation reserve	Retained profits	Total	Non-controlling 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 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 and 1 May 2010	8,191	77,047	2,222	7,674	143	120	1,505	21,510	118,412	(1,453)	116,959
Total comprehensive loss for the year	–	–	–	–	–	–	(20)	(27,240)	(27,260)	(1,590)	(28,850)
Transfer from convertible loan note equity reserve to retained profits	–	–	–	–	(143)	–	–	143	–	–	–
Placing of shares	1,600	16,447	–	–	–	–	–	–	18,047	–	18,047
Exercise of share options	198	2,749	–	–	–	–	–	–	2,947	–	2,947
Grant of share options	–	–	–	2,942	–	–	–	–	2,942	–	2,942
Share options lapsed during the year	–	–	–	(17)	–	–	–	17	–	–	–
At 30 April 2011	**9,989**	**96,243**	**2,222**	**10,599**	**–**	**120**	**1,485**	**(5,570)**	**115,088**	**(3,043)**	**112,045**

Notes:

(1) At 30 April 2011, the retained profits of the Group included accumulated losses of HK$143,000 (2010: accumulated losses of HK$143,000) attributable to associates of the Group.

(2) At 30 April 2011, the retained profits of the Group included accumulated losses of HK$2,404,000 (2010: accumulated losses 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 2011 are consistent with those adopted in the preparation of the financial statements for the year ended 30 April 2010, 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 adopted the following new and revised HKFRSs, which are relevant to the preparation of the Group's financial statements for annual reporting periods beginning on or after 1 May 2010:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
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 2008)	Business Combinations
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
Improvements to HKFRSs 2008	Improvements of HKFRS 5
Improvements to HKFRSs 2009	Improvements of HKFRSs issued in 2009

The adoption of HK-Interpretation 5 "Presentation of financial Statements – Classification by the Borrower of Term Loan that contains a Repayment of Demand Clause" has resulted in the presentation of term bank loans with a repayment on demend clause in the amount of HK$25,091,000 in current liabilities in the current year. Comparative figures for term bank loans with a repayment on demand clause in the amount of HK$26,344,000 have also been reclassified to current liabilities. The adoption of HK-Interpretation 5 did not affect the results for the current and prior accounting periods.

Following the adoption of Improvements to HKFRSs issued in 2009 effective in the current year, the Group has reassessed the classification of land leases based on the general principles of HKAS 17 "Leases" and has concluded that its leasehold land in Hong Kong carries the characteristics of a finance lease. Accordingly, prepaid land lease payments of HK$4,003,000 were reclassified to property, plant and equipment. The reclassification has not affected the results for the current and prior accounting periods.

The adoption of other new and revised 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 12 Amendment	Deferred Tax: Recovery of Underlying Assets	1 January 2012
HKAS 24 (Revised)	Related Party Disclosures	1 January 2011
HKAS 27 (Revised)	Separate Financial Statements	1 January 2013
HKAS 28 (Revised)	Investments in Associates and Joint Ventures	1 January 2013
HKFRS 1 Amendment	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters	1 July 2010
HKFRS 7 Amendment	Disclosures – Transfers of Financial Assets	1 July 2011
HKFRS 9	Financial Instruments	1 January 2013
HKFRS 10	Consolidated Financial Statements	1 January 2013
HKFRS 11	Joint Arrangements	1 January 2013
HKFRS 12	Disclosures of Interests in Other Entities	1 January 2013
HKFRS 13	Fair Value Measurement	1 January 2013
HK(IFRIC) – 14 Amendment	Prepayments of a Minimum Funding Requirement	1 January 2011
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Improvements to HKFRSs 2010	Improvements to HKFRSs issued in 2010	1 July 2010 or 1 January 2011

2. TURNOVER

	2011	2010
	HK$'000	*HK$'000*
Contract revenue in respect of construction and building works for the provision of		
– scaffolding services	**91,516**	89,313
– fitting out services	**4,593**	29,860
Management contracting services	**(1,771)**	(4,200)
Gondolas, parapet railings and access equipment installation and maintenance services	**11,403**	18,300
	105,741	133,273

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 2011, the Group has 3 reportable segments – (i) scaffolding and fitting out services for construction and building work (ii) management contracting services for construction and building work, and (iii) gondolas, parapet railings and access equipment 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 years ended 30 April 2011 and 2010 is presented below:

	Scaffolding and fitting out services for construction & building work *HK$'000*	Management contracting services for construction and building work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Consolidated *HK$'000*
For the year ended 30 April 2011				
REVENUE				
Total external sales	**96,109**	**(1,771)**	**11,403**	**105,741**
SEGMENT RESULTS				
Gross profit/(loss)	**18,044**	**(1,919)**	**3,381**	**19,506**
Operating expenses	**(16,026)**	**(22,827)**	**(9,064)**	**(47,917)**
	2,018	**(24,746)**	**(5,683)**	**(28,411)**
Other income				**770**
Increase in fair value of investment properties				**5,420**
Unallocated operating expenses				**(4,970)**
Unallocated finance costs				**(950)**
Loss before taxation				**(28,141)**
Taxation				**(689)**
Loss for the year				**(28,830)**

Balance Sheet

	Scaffolding and fitting out services for construction and building work *HK$'000*	Management contracting services for construction and building work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Consolidated *HK$'000*
ASSETS				
Segment assets	**101,192**	**16,918**	**25,188**	**143,298**
Interests in associates				**–**
Interests in jointly controlled entities				**–**
Amounts due from associates				**1,185**
Amounts due from jointly controlled entities				**5,220**
Other unallocated assets				**40,167**
Consolidated total assets				**189,870**
LIABILITIES				
Segment liabilities	**16,470**	**125**	**416**	**17,011**
Other unallocated liabilities				**60,814**
Consolidated total liabilities				**77,825**

Other Information

	Scaffolding and fitting out services for construction and building work *HK$'000*	Management contracting services for construction and building work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital expenditure	**6,186**	**–**	**–**	**–**	**6,186**
Depreciation and amortisation	**3,145**	**6**	**504**	**439**	**4,094**
Bad and doubtful debts	**4,444**	**22,883**	**5,007**	**–**	**32,334**
Increase in fair value of investment properties	**–**	**–**	**–**	**5,420**	**5,420**
Gain on disposal of property, plant and equipment	**5**	**–**	**–**	**–**	**5**
Loss on disposal of property, plant and equipment	**(8)**	**–**	**–**	**–**	**(8)**

	Scaffolding and fitting out services for construction & building work *HK$'000*	Management contracting services for construction and building work *HK$'000*	Gondolas, parapet railings 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
Operating (expenses)/income	(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 operating 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 construction and building work *HK$'000*	Management contracting services for construction and building work *HK$'000*	Gondolas, parapet railings 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 associates				–
Interests in jointly controlled entities				–
Amounts due from associates				1,174
Amounts due from jointly controlled entities				6,905
Other unallocated assets				33,199
Consolidated total assets				207,683
LIABILITIES				
Segment liabilities	17,426	1,572	2,213	21,211
Other unallocated liabilities				69,513
Consolidated total liabilities				90,724

Other Information

	Scaffolding and fitting out services for construction and building work *HK$'000*	Management contracting services for construction and building work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000* (restated)	Consolidated *HK$'000* (restated)
Capital expenditure	107	–	818	–	925
Depreciation and amortisation	3,055	16	468	408	3,947
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)

Geographical Segments

	Revenue		Carrying amount of segment assets		Capital expenditure incurred during the year	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**102,879**	133,585	**105,488**	120,318	**6,186**	925
Macau	**2,862**	(312)	**37,810**	46,087	**–**	–
	105,741	133,273	**143,298**	166,405	**6,186**	925

4. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Gain on foreign exchange	**33**	194
Gain on disposal of property, plant and equipment	**5**	258
Interest income	**16**	10
Rental income, net of outgoings of nil (2010: Nil)	**665**	660
Sundry income	**415**	1,030
	1,134	2,152

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on other loans	**401**	388
Interest on bank loans		
– wholly repayable within five years	**1,752**	2,253
– wholly repayable beyond five years	**649**	236
Interest on obligations under finance leases	**102**	39
Interest on convertible loan note	**419**	999
	3,323	3,915
Less: Amount capitalised to construction contracts	**(396)**	–
	2,927	3,915

6. TAXATION

	2011	2010
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current year	–	–
Overprovision in prior years	–	(373)
	–	(373)
Macau Complementary tax		
Current year	–	–
Overprovision in prior years	–	–
	–	–
Deferred tax		
Current year	**689**	(1,262)
	689	(1,635)

No provision for Hong Kong Profits Tax has been made in view of losses incurred for the year (2010: nil).

No Macau Complementary Tax has been provided as the Group had no assessable profits subject to such tax during the year (2010: nil).

7. LOSS FOR THE YEAR

	2011	2010
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Bad and doubtful debts	**32,334**	14,502
Auditors' remuneration	**596**	476
Cost of inventories recognised as expenses	**388**	154
Depreciation and amortisation		
Owned assets	**3,611**	3,629
Assets held under finance leases	**483**	318
	4,094	3,947
Less: Amount capitalised to construction contracts	**(2,531)**	(403)
	1,563	3,544
Loss on disposal of investment property	**–**	1,050
Gain on disposal of property, plant and equipment	**(5)**	(258)
Loss on disposal of property, plant and equipment	**8**	35
Minimum lease payments for operating leases in respect of land and buildings	**1,023**	1,440
Less: Amount capitalised to construction contracts	**(821)**	(1,174)
	202	266
Staff costs including directors' emoluments		
– Equity-settled share option expenses	**2,942**	554
– Settled by other means	**26,654**	28,747
	29,596	29,301
Less: Amount capitalised to construction contracts	**(17,747)**	(18,915)
	11,849	10,386

8. DIVIDEND

No dividend has been proposed by the directors for the year ended 30 April 2011 (2010: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to the equity holders of the Company for the year and on the weighted average number of 879,009,460 (2010: 789,488,994) ordinary shares in issue during the year.

No diluted loss per share has been disclosed as no diluting effects existed during the year.

10. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**59,509**	102,928
Other receivables	**20,699**	20,699
	80,208	123,627
Less: Allowance for bad and doubtful debts	**(11,916)**	(11,160)
	68,292	112,467

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

	2011	2010
	HK$'000	*HK$'000*
1 May	**11,160**	1,564
Amounts written off as uncollectible	**(31,499)**	(1,564)
Allowance for bad and doubtful debts	**32,255**	11,160
30 April	**11,916**	11,160

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:

	2011	2010
	HK$'000	*HK$'000*
		(restated)
0 to 90 days	**21,049**	55,961
91 to 180 days	**4,324**	8,355
181 to 365 days	**555**	4,742
Above 1 year	**54,280**	54,569
	80,208	123,627

The directors consider the fair values of trade and other receivables at 30 April 2011 approximate the carrying amounts.

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$10,876,000 (2010: HK$8,643,000) with an aged analysis as follows:

	2011	2010
	HK$'000	*HK$'000*
0 to 90 days	**7,848**	4,957
91 to 180 days	**1,556**	1,627
181 to 365 days	**1,356**	1,980
Above 1 year	**116**	79
	10,876	8,643

The directors consider the fair values of trade and other payables at 30 April 2011 approximate the carrying amounts.

12. EVENTS AFTER THE REPORTING PERIOD

On 11 May 2011, the Company agreed to place up to 190,000,000 ordinary shares of the Company (the "Placing Shares") to not less than six placees who and whose ultimate beneficial owners are independent third parties at a price of HK$0.188 per Placing Share through a placing agent. On 20 May 2011, a total of 118,380,000 Placing Shares were successfully placed to not less than six placees at a total consideration of approximately HK$22,255,000 through the placing agent. Following the completion of the share placement, the capital base and liquidity of the Group are further strengthened.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 30 April 2011, the turnover of the Group amounted to approximately HK$105,741,000, representing a decrease of about 21% as compared with a turnover of approximately HK$133,273,000 in the preceding year. Net loss attributable to equity holders of the Company for the year ended 30 April 2011 was approximately HK$27,240,000, representing an increase of approximately 250% as compared to the net loss attributable to equity holders of the Company of approximately HK$7,784,000 in the preceding year.

During the year ended 30 April 2011, the business operations of the scaffolding division experienced severe competition from competitors. Nevertheless, the scaffolding division benefited from increased construction activities brought about by the persistent rise in price of residential units, a sustained increase in commercial rent and the development in infrastructure initiated by the government. During the year ended 30 April 2011, the scaffolding division was awarded 14 new works contracts for the provision of scaffolding services. Amongst these new contracts, the most notable ones were the provision of metal scaffolding to the Cathay Pacific Cargo Terminal at Hong Kong International Airport and the provision of scaffolding for the construction of two primary schools in Area 55, So Kwun Wat in Tuen Mun. Furthermore, considerable goodwill was obtained by our scaffolding division's remarkable performance whilst participating in the construction of bamboo structures in the Shanghai World Expo in 2010.

In respect of the operating results of the fitting out business division, the on-going projects for the provision of fitting out services to the tower and duplex floor of the construction site at STTL 539 and to the Green Café in Union Hospital proceeded according to plan and were completed during the year ended 30 April 2011.

In regard to the access equipment division, the Group's fleet of temporary gondolas attained a satisfactory utilization level during the year ended 30 April 2011. All in all, the management of the Group predicted the continued boom in the rental market as temporary gondolas will further boost the operating results of the access equipment division. In addition, a contract for the supply and installation of building maintenance units to Parcels 5 and 6 of the Venetian in Macau was secured during the year.

In respect of the international business division, the current works contracts for the supply and installation of access equipment to Parkview Green Plaza in Beijing is close to completion. The goodwill currently enjoyed by the Group will be further enhanced the satisfactory completion of the overseas project.

In regard to the research and development division, a special "Scaffold Guard Rail Support" patent invented by the Group was granted by the State Intellectual Property Office of the People's Republic of China during the period under review. Pursuant to the grant of this patent, an application was also made to the Macau Intellectual Property Office for the grant of patent in Macau territory and this was duly granted to cover the Macau territory.

BUSINESS OUTLOOK

The current climate of the Hong Kong economy on a macro-economic level is rather encouraging. As China maintains its GNP growth rate of about 9 percent in the current year, avoiding a "hard landing" amid the turmoil of Europe's debt crisis and the recession in the United States. It is the views of most economic analysts that it can be safely assumed that the current real estate market boom will continue, resulting in increased construction activities both in the public and private sectors. This 'rippling effect' is predicted to ultimately benefit the Group's business operations and profitability.

During the financial year ended 30 April 2011, the management of the Group was committed to vigilant cost control in all operating units. By undertaking stringent budget control and in view of the current bullish property market and increased number of infrastructure and real estate development projects in Hong Kong, the management of the Group is of the opinion that its business is on the right track and will improve steadily in the ensuing reporting periods.

Project Portfolio (As at 30 April 2011)

Hong Kong

- The Latitude
- One Regent Place
- Residential Development at Lot No.2099 in Ha Ko Po Tsuen, Kam Tin
- Chatham Gaden Redevelopment
- West Rail Tuen Mun Station Development Phase 1
- Cathay Pacific Cargo Terminal in Hong Kong International Airport
- Kowloon Commercial Centre (Phase 2), Kwai Chung
- Development in Solar Tower, Ma Wan Park
- Residential Development in Area 56, Tseung Kwan O
- Residential Development in TMTL 422, Tsing Lung Road, Siu Lam, Tuen Mun
- Residential Development at 81 Broadcast Drive, Kowloon Tong
- Residential Development at 1 Broadcast Drive, Kowloon Tong
- Composite Development at 3 Chun Yan Street, Wong Tai Sin
- Development at Ex-Cheung Sha Wan Police Quarters
- Public Rental Housing Development at Ex-Shatin Married Quarters
- Comprehensive Development at 3 Connaught Road Central
- Hotel Development at 38 Chong Yip Street, Kwun Tong
- Hotel Development at 84-86 Tai Kok Tsui Road, Tai Kok Tsui

– Hotel Development at 18-30 Des Voeux Road West, Sheung Wan
– Construction of Swimming Pool Complex in San Wai Court, Tuen Mun
– Construction of 2 primary schools in Area 55, So Kwun Wat, Tuen Mun
– Refurbishment of Robinson Heights
– Refurbishment of UA Cinema in New Town Plaza, Shatin
– Fitting out of Hill Paramount in Shatin Town Lot 539

Macau

– Tower 6B of Venetian Orient, Parcel 5 & 6 & Tropical Gardens

FINANCIAL REVIEW AND ANALYSIS

During the year under review, the Group recorded a turnover of approximately HK$105,741,000, representing a decrease of approximately 21% as compared with that of the preceding year. Nevertheless, the management of the Group continued to diversify its businesses to other geographic markets. The decrease in new business and works contracts in Macau and the fitting out division accounted for a reduction of turnover in Hong Kong.

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

During the year under view, operating expenses (excluding bad and doubtful debts of: HK$32,334,000 (2010:14,502,000)) decreased by approximately 21% as compared to 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. Furthermore, the placing of new shares during the year and after the balance sheet date has lowered of the gearing ratio of the Company.

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 2011, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were HK$115,088,000 (2010: HK$118,412,000), HK$135,636,000 (2010: HK$161,442,000), HK$60,346,000 (2010: HK$71,747,000) and HK$189,870,000 (2010: HK$207,683,000) respectively.

As at 30 April 2011, the Group's consolidated bank overdrafts and bank loans were HK$11,338,000 (2010: HK$9,430,000) and HK$39,447,000 (2010: HK$41,552,000) respectively. As at 30 April 2011, obligations under finance leases amounted to HK$865,000 (2010: HK$658,000), of which HK$296,000 is due for repayment in 2012 and HK$569,000 is due for repayment after 2012.

As at 30 April 2011, the Group's bank and cash balances amounted to HK$1,419,000 (2010: HK$435,000). As at 30 April 2011, the Group's gearing ratio (total bank borrowings and obligations under finance leases divided by shareholders' fund) was about 45% (2010: 44%).

Most of the Group's bank and cash balances, bank borrowings and obligations under finance leases are 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 2011 (year ended 30 April 2010: Nil).

SEGMENT INFORMATION

Operating segments

The Group is currently organised into 3 operating segments – (i) scaffolding and fitting out services for construction and building works, (ii) management contracting services 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 and Macau. 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:

	2011	2010
	HK$'000	*HK$'000*
Investment properties	**22,490**	17,070
Leasehold land and buildings	**15,003**	14,917

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 2011, the Group provided counter indemnities amounting to HK$920,400 (2010: HK$2,437,000) to banks for surety bonds issued by the banks in respect of construction contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2011, the total number of full-time employees of the Group was 118 (2010: 113). The total remuneration paid to employees (including directors' emoluments) amounted to HK$29,596,000 in 2011 (2010: HK$29,301,000). 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 2011.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2011 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 2011, 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 2010 up to the date of this announcement.

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

Hong Kong, 22 July 2011

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. So Wang Bon, Edward, (Executive Director), Mr. Yu Yeung Hoi, Stephen, (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.