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 2012

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 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2012

	NOTES	2012 HK$'000	2011 HK$'000 (Restated)
Turnover	2	**115,124**	105,741
Cost of sales		**(94,358)**	(86,235)
Gross profit		**20,766**	19,506
Other income	4	**1,462**	1,129
Operating expenses		**(34,128)**	(49,226)
Increase in fair value of investment properties		**6,850**	5,420
Gain on disposal of property, plant and equipment		**13,345**	5
Finance costs	5	**(1,863)**	(2,927)
Share of results of jointly controlled entities		**–**	(2,100)
Profit/(Loss) before taxation		**6,432**	(28,193)
Taxation	6	**(4,192)**	(113)
Profit/(Loss) for the year	7	**2,240**	(28,306)
Other comprehensive income		**–**	–
Total comprehensive income/(loss) for the year		**2,240**	(28,306)
Profit/(Loss) attributable to:			
Equity holders of the Company		**5,197**	(26,716)
Non-controlling interests		**(2,957)**	(1,590)
		2,240	(28,306)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**5,197**	(26,716)
Non-controlling interests		**(2,957)**	(1,590)
		2,240	(28,306)
Dividend	8	**–**	–
Earnings/(Loss) per share – basic	9	**HK0.47 cent**	(HK3.04 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2012

	NOTES	**30 April 2012** **HK$'000**	30 April 2011 HK$'000 (Restated)	1 May 2010 HK$'000 (Restated)
Non-current assets				
Investment properties		**29,340**	22,490	17,070
Property, plant and equipment		**25,285**	29,731	27,702
Goodwill		**3,138**	3,138	3,138
Interests in associates		**–**	–	–
Interests in jointly controlled entities		**–**	–	–
		57,763	55,359	47,910
Current assets				
Amounts due from an associate		**1,196**	1,185	1,174
Amounts due from jointly controlled entities		**5,481**	5,220	6,905
Amounts due from customers for contract work		**58,120**	49,212	28,770
Inventories		**686**	1,488	1,272
Prepayments, deposits and other current assets		**2,224**	2,449	2,492
Trade and other receivables	*10*	**63,824**	68,292	112,467
Retention monies receivable		**7,864**	5,597	7,704
Current tax recoverable		**13**	94	223
Pledged bank deposit		**680**	680	–
Bank balances and cash		**7,199**	1,419	435
		147,287	135,636	161,442
Current liabilities				
Amount due to an associate		**46**	48	74
Convertible loan note		**–**	–	10,118
Other loans – unsecured		**5,461**	5,904	5,958
Amounts due to customers for contract work		**1,889**	71	4,468
Trade and other payables	*11*	**12,900**	14,733	12,694
Retention monies payable		**3,645**	3,453	5,006
Obligations under finance leases – current portion		**281**	296	395
Current tax payable		**822**	–	–
Bank loans		**28,311**	39,447	41,552
Bank overdrafts		**7,500**	11,338	9,430
		60,855	75,290	89,695
Net current assets		**86,432**	60,346	71,747
Total assets less current liabilities		**144,195**	115,705	119,657

	NOTES	**30 April 2012** *HK$'000*	30 April 2011 *HK$'000* (Restated)	1 May 2010 *HK$'000* (Restated)
Non-current liabilities				
Obligations under finance leases – non-current portion		**635**	569	263
Deferred tax liabilities		**4,985**	1,648	1,536
		5,620	2,217	1,799
Net assets		**138,575**	113,488	117,858
Capital and reserves				
Share capital		**11,198**	9,989	8,191
Reserves		**133,377**	106,542	111,120
Equity attributable to equity holders of the Company		**144,575**	116,531	119,311
Non-controlling interests		**(6,000)**	(3,043)	(1,453)
		138,575	113,488	117,858

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Merger reserve *HK$'000*	Share option reserve *HK$'000*	Convertible loan note equity reserve *HK$'000*	Warrant reserve *HK$'000*	Revaluation reserve *HK$'000* (Restated)	Retained profits/ (Accumulated losses) *HK$'000* (Restated)	Total *HK$'000* (Restated)	Non-controlling interests *HK$'000*	Total *HK$'000* (Restated)
At 1 May 2010	8,191	77,589	2,222	7,132	143	120	–	23,914	119,311	(1,453)	117,858
Total comprehensive loss for the year	–	–	–	–	–	–	–	(26,716)	(26,716)	(1,590)	(28,306)
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	3,972	–	(1,223)	–	–	–	–	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 and 1 May 2011	9,989	98,008	2,222	8,834	–	120	–	(2,642)	116,531	(3,043)	113,488
Total comprehensive income for the year	–	–	–	–	–	–	–	5,197	5,197	(2,957)	2,240
Placing of shares	1,184	21,071	–	–	–	–	–	–	22,255	–	22,255
Exercise of share options	25	295	–	–	–	–	–	–	320	–	320
Grant of share options	–	–	–	272	–	–	–	–	272	–	272
Share options lapsed during the year	–	–	–	(1,438)	–	–	–	1,438	–	–	–
Transfer from warrant reserve to retained profits	–	–	–	–	–	(120)	–	120	–	–	–
At 30 April 2012	**11,198**	**119,374**	**2,222**	**7,668**	**–**	**–**	**–**	**4,113**	**144,575**	**(6,000)**	**138,575**

Notes:

(1) At 30 April 2012, the retained profits of the Group included accumulated losses of HK$143,000 (2011: accumulated losses of HK$143,000) attributable to associates of the Group.

(2) At 30 April 2012, the retained profits of the Group included accumulated losses of HK$2,404,000 (2011: accumulated losses of HK$2,404,000) 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 Hong Kong Financial Reporting Standards, 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 investment 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 2012 are consistent with those adopted in the preparation of the financial statements for the year ended 30 April 2011, except for the adoption of the new and revised HKFRSs as explained in (c) below.

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

(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 2011:

HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 Amendment	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to HKFRSs 2010	Improvements to HKFRSs issued in 2010

The adoption of the 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 1 Amendment	Presentation of Items of Other Comprehensive Income
HKAS 12 Amendment	Deferred Tax: Recovery of Underlying Assets
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 32 Amendment	Presentation – Offsetting Financial Assets and Financial Liabilities
HKFRS 1 Amendment	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 1 Amendment	Government Loans
HKFRS 7 Amendment	Disclosures – Transfers of Financial Assets
HKFRS 7 Amendment	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendment to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements

HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

(d) Change in accounting policy

During the current year, the Group changed its accounting policy for the measurement of the buildings included in property, plant and equipment.

Previously, the buildings were stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any accumulated depreciation and accumulated impairment losses, in accordance with HKAS 16 "Property, Plant and Equipment". The Group now measures the buildings at cost less any accumulated depreciation and any accumulated impairment losses. The Board judges that this change provides more reliable and relevant information because it is more consistent with the industry practice.

The change in accounting policy has been applied retrospectively and the impact of the application on the consolidated financial statements is as follows:

Impact on results for the year

	2012 ***HK$'000***	2011 *HK$'000*
Decrease in gain on disposal of property, plant and equipment	**(1,675)**	–
Increase in depreciation expense	**(30)**	(52)
Decrease in income tax expense	**89**	576
(Decrease)/Increase in profit for the year	**(1,616)**	524
Decrease in fair value (loss)/gain on property, plant and equipment	**–**	–
Less: related income tax effect	**–**	–
(Decrease)/Increase in total comprehensive income for the year	**(1,616)**	524
(Decrease)/Increase in profit for the year attributable to:		
Equity holders of the Company	**(1,616)**	524
Non-controlling interests	**–**	–
	(1,616)	524
(Decrease)/Increase in total comprehensive income for the year attributable to:		
Equity holders of the Company	**(1,616)**	524
Non-controlling interests	**–**	–
	(1,616)	524

Impact on basic loss per share

	2012	2011
(Decrease)/Increase in basic loss per share	**(HK$0.15 cents)**	HK$0.06 cents

Impact on net assets and equity as at 1 May 2010

	As previously reported *HK$'000*	Change in accounting policy *HK$'000*	**As restated** ***HK$'000***
Property, plant and equipment	26,033	1,669	**27,701**
Deferred tax liabilities	766	770	**1,536**
Impact on net assets	25,267	899	**26,166**
Retained profits	21,510	2,404	**23,914**
Revaluation reserve	1,505	(1,506)	–
Impact on equity	20,005	899	**23,914**

Impact on net assets and equity as at 30 April 2011

	As previously reported *HK$'000*	Change in accounting policy *HK$'000*	**As restated** ***HK$'000***
Property, plant and equipment	26,033	3,698	**29,731**
Deferred tax liabilities	766	(882)	**1,648**
Impact on net assets	25,267	2,816	**28,083**
Accumulated losses	(5,570)	2,928	**(2,642)**
Revaluation reserve	1,485	(1,485)	–
Impact on equity	(4,085)	1,443	**(2,642)**

Impact on net assets and equity as at 30 April 2012

	Change in accounting policy ***HK$'000***
Increase in property, plant and equipment	2,029
Increase in deferred tax liabilities	(112)
Increase in net assets	1,917
Decrease accumulated losses	2,928
Decrease in revaluation reserve	(1,485)
Increase in equity	1,443

2. TURNOVER

	2012	2011
	HK$'000	*HK$'000*
Contract revenue in respect of construction and building works for the provision of		
– scaffolding services	**105,278**	91,516
– fitting out services	**2,199**	4,593
Management contracting services	**80**	(1,771)
Gondolas, parapet railings and access equipment installation and maintenance services	**7,567**	11,403
	115,124	105,741

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 2012, 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 2012 and 2011 is presented below:

	Scaffolding and fitting out services for construction and building work	Management contracting services for construction and building work	Gondolas, parapet railings and access equipment installation and maintenance services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 30 April 2012				
REVENUE				
Total external sales	**107,477**	**80**	**7,567**	**115,124**
SEGMENT RESULTS				
Gross profit/(loss)	**21,943**	**(603)**	**(574)**	**20,766**
Operating expenses	**(16,800)**	**(1,302)**	**(10,749)**	**(28,851)**
	5,143	**(1,905)**	**(11,323)**	**(8,085)**
Other income				**1,227**
Increase in fair value of investment properties				**6,850**
Gain on disposal of property, plant and equipment				**13,345**
Unallocated operating expenses				**(6,905)**
Profit before taxation				**6,432**
Taxation				**(4,192)**
Profit for the year				**2,240**

Statement of financial position – as at 30 April 2012

	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	126,879	14,405	10,905	152,189
Interests in associates				–
Interests in jointly controlled entities				–
Amounts due from associates				1,196
Amounts due from jointly controlled entities				5,481
Other unallocated assets				46,184
Consolidated total assets				205,050
LIABILITIES				
Segment liabilities	15,512	172	1,646	17,330
Other unallocated liabilities				49,145
Consolidated total liabilities				66,475

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	5,975	–	797	493	7,265
Depreciation and amortisation	3,257	3	313	469	4,042
Bad and doubtful debts	2,067	6,210	10,040	–	18,317
Increase in fair value of investment properties	–	–	–	6,850	6,850
Gain on disposal of property, plant and equipment	9	–	–	13,336	13,345

	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* (Restated)
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				(5,022)
Unallocated finance costs				(950)
Loss before taxation				(28,193)
Taxation				(113)
Loss for the year				(28,306)

Statement of financial position – as at 30 April 2011

	Scaffolding and fitting out services for construction and building work	Management contracting services for construction and building work	Gondolas, parapet railings and access equipment installation and maintenance services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Restated)
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				41,292
Consolidated total assets				190,995
LIABILITIES				
Segment liabilities	16,470	125	416	17,011
Other unallocated liabilities				60,496
Consolidated total liabilities				77,507

Other Information

	Scaffolding and fitting out services for construction and building work	Management contracting services for construction and building work	Gondolas, parapet railings and access equipment installation and maintenance services	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (Restated)
Capital expenditure	6,188	–	–	–	6,188
Depreciation and amortisation	3,145	6	504	500	4,155
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)

Geographical Segments

	Revenue		Carrying amount of segment assets		Capital expenditure incurred during the year	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)		
Hong Kong	**112,704**	102,879	**124,678**	105,488	**7,265**	6,188
Macau	**2,420**	2,862	**27,511**	37,810	**–**	–
	115,124	105,741	**152,189**	143,298	**7,265**	6,188

4. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Gain on foreign exchange	**339**	33
Interest income	**30**	16
Rental income, net of outgoings of nil (2011: Nil)	**834**	665
Sundry income	**259**	415
	1,462	1,129

5. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on bank loans		
– wholly repayable within five years	**1,787**	1,752
– wholly repayable beyond five years	**182**	649
Interest on other loans	**324**	401
Interest on obligations under finance leases	**62**	102
Interest on convertible loan note	**–**	419
	2,355	3,323
Less: Amount capitalised to construction contracts	**(492)**	(396)
	1,863	2,927

6. TAXATION

	2012	2011
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current year	**532**	–
Underprovision in prior years	**323**	–
	855	–
Macau Complementary tax		
Current year	**–**	–
Deferred tax		
Current year	**3,337**	113
	3,337	113
	4,192	113

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the year. (2011: Nil).

No Macau Complementary Tax has been provided as the Group had no assessable profits subject to such tax during the year (2011: Nil).

7. PROFIT/(LOSS) FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
Profit/(Loss) for the year has been arrived at after charging/(crediting):		
Bad and doubtful debts	**8,317**	32,334
Write off of amount due from customers for contract work	**10,000**	–
Auditors' remuneration	**619**	596
Cost of inventories recognised as expenses	**18**	388
Depreciation and amortisation		
Owned assets	**3,799**	3,611
Assets held under finance leases	**243**	483
	4,042	4,094
Less: Amount capitalised to construction contracts	**(2,769)**	(2,531)
	1,273	1,563
Gain on disposal of property, plant and equipment	**(13,345)**	(5)
Loss on disposal of property, plant and equipment	**–**	8
Minimum lease payments for operating leases in respect of land and buildings	**1,208**	1,023
Less: Amount capitalised to construction contracts	**(1,036)**	(821)
	172	202
Staff costs including directors' emoluments		
– Equity-settled share option expenses	**272**	2,942
– Settled by other means	**29,671**	26,654
	29,943	29,596
Less: Amount capitalised to construction contracts	**(19,324)**	(17,747)
	10,619	11,849

8. DIVIDEND

No dividend has been proposed by the directors for the year ended 30 April 2012 (2011: Nil).

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) attributable to the equity holders of the Company for the year and on the weighted average number of 1,113,589,961 (2011: 879,009,460) ordinary shares in issue during the year.

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

10. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**55,581**	59,509
Other receivables	**20,700**	20,699
	76,281	80,208
Less: Allowance for bad and doubtful debts	**(12,457)**	(11,916)
	63,824	68,292

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

	2012	2011
	HK$'000	*HK$'000*
1 May	**11,916**	11,160
Allowance for bad and doubtful debts	**8,317**	32,255
Amounts written off as uncollectible	**(7,776)**	(31,499)
30 April	**12,457**	11,916

Included in the above allowances for impairment of trade receivables of the Group are allowances for individually impaired trade receivables of HK$12,457,000 (2011: HK$11,916,000). The individually impaired receivables related to customers that were in default and only a portion of the receivables is expected to be recovered.

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:

	2012	2011
	HK$'000	*HK$'000*
0 to 90 days	**24,847**	21,049
91 to 180 days	**1,962**	4,324
181 to 365 days	**5,696**	555
Above 1 year	**43,776**	54,280
	76,281	80,208

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$8,628,000 (2011: HK$10,876,000) with an aged analysis as follows:

	2012	2011
	HK$'000	*HK$'000*
0 to 90 days	**6,594**	7,848
91 to 180 days	**1,060**	1,556
181 to 365 days	**890**	1,356
Above 1 year	**84**	116
	8,628	10,876

The directors consider the fair values of trade and other payables at 30 April 2012 approximate the carrying amounts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 30 April 2012, the turnover of the Group amounted to approximately HK$115,124,000, representing an increase of about 9% as compared with a turnover of approximately HK$105,741,000 of the preceding year. Net profit attributable to equity holders of the Company for the year ended 30 April 2012 was approximately HK$5,197,000, as compared to the net loss attributable to equity holders of the Company of approximately HK$26,716,000 of the preceding year.

During the year ended 30 April 2012, the business operations of the scaffolding division continued to experience severe competition from competitors. Nevertheless, the scaffolding division received an increased number of invitations to tender its services for real estate development projects as well as large-scale infra-structure projects and succeeded in securing contracts for the provision of scaffolding services to the Kai Tak Cruise Terminal Building Development and the West Kowloon Terminal (South) of the Express Rail Link. During the year ended 30 April 2012, the scaffolding division was awarded 29 new works contracts for the provision of scaffolding services. Amongst these new contracts, the most notable ones are the provision of metal scaffolding to the Cathay Pacific Cargo Terminal at Hong Kong International Airport and the provision of metal-bamboo system scaffolding to the residential development site in Ha Ko Po Tsuen in Kam Tin and to the residential development of Century Gateway (Phase 2) above the Tuen Mun Railway Station.

In respect of the operating results of the fitting out business division, a contract for the supply and installation of suspended ceilings to The Wings in Tseung Kwan O was secured and such project proceeded according to plan during the year ended 30 April 2012.

In regards to the access equipment division, the Group's fleet of temporary gondolas attained a satisfactory utilization level during the year ended 30 April 2012. All in all, the management of the Group predicted the continued boom in the rental market for temporary gondolas would further boost the operating results of the access equipment division. In addition, the design, supply and installation of building maintenance units to Parcels 5 and 6 of the Venetian in Macau proceeded according to schedule during the year ended 30 April 2012 and was close to completion.

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 was completed successfully during the year. The goodwill currently enjoyed by the Group was further enhanced upon the satisfactory completion of this overseas project.

In regard to the research and development division, a special “Thunderbolt” brand of system scaffolding was invented by the chairman of the Group and widely promoted to specific usage in the lift shaft areas and external facades of construction sites. This unique scaffolding system when applied to such areas can enhance the efficiency and reduce manpower on a gigantic scale, much to the acclaim of the entire construction industry. The management of the Group is extremely optimistic that such invention can contribute substantially to the profitability of the Group in the foreseeable future.

Furthermore, an application had been made and submitted to obtain an international patent on the “Thunderbolt” brand of system scaffold which reinforces the status of the Group as a market leader in the scaffolding industry in terms of its possession and constant development of advanced technology in cost-efficient scaffolding systems.

BUSINESS OUTLOOK

The current climate of the Hong Kong economy on a macro-economic level is rather encouraging. As China GNP growth rate continued to outpace the other parts of the world amid the turmoil of Europe’s debt crisis and the sluggish U.S. economy, it is the views of most economic analysts that we could safely assume the current local real estate market boom would continue, resulting in increased construction activities both in the public and private sectors. This ‘ripple effect’ is predicted to ultimately benefit the Group’s business operations and profitability.

During the financial year ended 30 April 2012, the management of the Group is 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 our business is in the right track and would improve steadily in the ensuing reporting periods.

Project Portfolio (As at 30 April 2012)

Hong Kong

- Century Gateway
- i-UniQ Grand
- Chatham Gate
- The Wings
- One Regent Place
- Imperial Cullinan
- AnaCapri (Park Island – Phase 6)
- Avignon
- Lions Rise
- Residential Development at Lot No.2099 in Ha Ko Po Tsuen, Kam Tin
- Residential Development at No. 1 Sai Wan Terrace
- Cathay Pacific Cargo Terminal in Hong Kong International Airport
- New Cathay Pacific Passenger Lounge at Hong Kong International Airport
- West Kowloon Terminal Station (South), Express Rail Link
- Cruise Terminal Building, Kai Tak Cruise Terminal Development
- Kowloon Commercial Centre (Phase 2), Kwai Chung
- Office Development at 181 Hoi Bun Road, Kwun Tong
- Joint-user Complex at Bailey Street, To Kwa Wan Reclamation
- Hong Kong Polytechnic University Phase 8 Development
- Baptist University Road Campus Development
- Residential Development at 1 Broadcast Drive, Kowloon Tong
- Residential Development at 4-22 Alnwick Road, Kowloon Tong

- Residential Development at TMTL No. 422, Siu Lam
- Composite Development at Junction of Plover Cove Road & Po Wu Lane, Tai Po
- Public Housing Development at Ex-Cheung Sha Wan Police Quarters
- Development at F.S.S.T.L. 177, Sha Tau Kok Road, Fanling
- Development at 1-23 Tang Lung Street, Causeway Bay
- Development at 32-50 Haven Street, Causeway Bay
- Public Rental Housing Development at Ex-Shatin Married Quarters
- Public Rental Housing Development at Kwai Shing Circuit
- Hotel Development at 38 Chong Yip Street, Kwun Tong
- Hotel Development at 18-30 Des Voeux Road West, Sheung Wan
- Hotel Development at 1131-1135 Canton Road
- Composite Building at N.K.I.L. 6494, Lai Chi Kok Road, Shamshuipo
- Lamma Power Station Extension Maintenance Building
- Refurbishment of Royal Plaza Hotel

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$115,124,000, representing an increase of approximately 9% as compared with that of the preceding year. The award of new works contracts in the scaffolding and fitting out division accounted for an increase of turnover in Hong Kong.

Gross profit of the Company increased by approximately 6% 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. Considerable cash flow was generated by the sale of an office premise, resulting in a gain on disposal of leasehold land and buildings of approximately HK$13,336,000. This realization of increase in value of office premises in terms of a sizeable positive inflow of liquid fund contributed to a substantial reduction of the Group's bank borrowings as well as a diminution of the finance costs for the financial year under review.

During the year under view, operating expenses (excluding bad and doubtful debts of: HK$18,317,000 (2011: 32,334,000)) decreased by approximately 6% 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.

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 2012, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were HK$144,575,000 (2011: HK$116,531,000), HK$147,287,000 (2011: HK$135,636,000), HK$86,432,000 (2011: HK$60,346,000) and HK$205,050,000 (2011: HK$190,995,000) respectively.

As at 30 April 2012, the Group's consolidated bank overdrafts and bank loans were HK$7,500,000 (2011: HK$11,338,000) and HK$28,311,000 (2011: HK$39,447,000) respectively. As at 30 April 2012, obligations under finance leases amounted to HK$916,000 (2011: HK$865,000), of which HK$281,000 is due for repayment next year and HK$635,000 is due for repayment after next year.

As at 30 April 2012, the Group's bank and cash balances amounted to HK$7,199,000 (2011: HK$1,419,000). As at 30 April 2012, the Group's gearing ratio (total bank borrowings and obligations under finance leases divided by shareholders' fund) was about 25% (2011: 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 2012 (year ended 30 April 2011: Nil).

SEGMENT INFORMATION

Operating segments

The Group is currently organised into 3 operating 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. Details of results 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 end of the reporting period, the Group has pledged the following assets as against general banking facilities granted to the Group:

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Investment properties	**29,340**	22,490
Leasehold land and buildings	**8,047**	16,129
Bank deposit	**680**	680

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 2012, the Group provided counter indemnities amounting to HK$646,600 (2011: HK$920,400) to banks for surety bonds issued by the banks in respect of construction contracts.

OUTSTANDING LITIGATION

There was litigation between one of the Group's subsidiaries, Wui Loong Scaffolding Works Company Limited ("WLSW") and Able Contractors Limited ("Able") regarding a construction project.

WLSW entered into a contract to provide scaffolding services. While WLSW had achieved approximately 50% completion for the project payments made by Able fell behind schedule and breached an oral agreement on 27 August 2007 with regard to a 1% discount rebate. WLSW thus asked for the payment for services provided before continuing the remaining construction work. Due to the refusal of WLSW to continue with the remaining work, Able decided to engage another subcontractor and later on sued WLSW for repudiation of the contract. On the other hand, WLSW made a counterclaim for non-payment by Able.

On 13 June 2012, High Court concluded that WLSW is liable to bear additional costs incurred by Able in engaging another subcontractor to complete the remaining works plus other costs in the total amount of HK$819,000 (after taking into account retention money and 1% discount rebate entitled by WLSW).

However, WLSW filed an appeal with the High Court on 11 July 2012. The directors, in consultation with WLSW's lawyer, are of the opinion that there is a probable chance that WLSW will succeed in the appeal.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2012, the total number of full-time employees of the Group was 131 (2011: 118). The total remuneration paid to employees (including directors' emoluments) amounted to HK$29,943,000 in 2012 (2011: HK$29,596,000). 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 2012.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2012 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 2012, 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 2011 up to the date of this announcement.

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

Hong Kong, 25 July 2012

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) and Dr. Fung Ka Shuen (Independent 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.