

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors (the "Board" or the "Directors") of Wing Hong (Holdings) Limited (the "Company"), I now present the first annual results of the Company and its subsidiaries (collectively refer to the "Group") for the fiscal year ended 31 March 2005 since its listing debut on the Main Board of The Stock Exchange of Hong Kong on 13 October 2004. The successful listing of the Group marks a milestone in the Group's history which provides a favorable platform to access a wider growth in the future in Hong Kong and the PRC region.

BUSINESS REVIEW

In spite of the property market has been reviving in recent years, the business environment of construction industry in Hong Kong has still undergone severe challenges in the reviewing year. As a well-recognized main contractor in the industry, the Group has fell victim to fierce price competition among private sector and serious shrinkage of Government's construction work.

Notwithstanding, despite the market gloom, over the past few years, the Group has developed to become a main contractor of large-scale construction projects and has completed three major projects satisfactorily in the reviewing year.

For the fiscal year ended 31 March 2005, the Group recorded a turnover of approximately HK\$344.9 million representing a decrease of 59.0% as compared to that of fiscal 2004. Gross profit decreased by 76.8% to approximately HK\$11.7 million in comparing to that of fiscal 2004. Net loss attributable to shareholders was HK\$11.3 million while a net profit attributable to shareholders of HK\$33.6 million was recorded in fiscal 2004.

The Group has completed several building construction and foundation projects satisfactorily in fiscal 2005 with a total contract sum amounting to HK\$980.1 million, including main contractor work for residential development in One Beacon Hill at Beacon Hill Road, church development in 118 Gloucester Road at Wanchai and footbridge in Lai Chi Kok.

主席報告

致各股東：

本人謹代表榮康(控股)有限公司(「本公司」)董事會(「董事會」或「董事」)，現提呈自本公司及其附屬公司(統稱「本集團」)於二零零四年十月十三日在香港聯合交易所有限公司主板上市以來，截至二零零五年三月三十一日止財政年度之首次全年業績。本集團成功上市標誌著本集團歷史上之一個重要里程碑，為本集團日後於中港兩地進一步發展提供一個有利途徑。

業務回顧

儘管地產市場近年逐漸復甦，惟香港建築業之營商環境於回顧年內仍面臨艱巨的挑戰。作為業內知名的主要承建商，本集團難免受到私營界別的價格戰及政府建築工程大幅減少所拖累。

縱使過去數年市況低迷，本集團仍能發展為一間大型建築項目的主要承建商，並於回顧年內圓滿落成三項主要項目。

截至二零零五年三月三十一日止財政年度，本集團錄得營業額約344,900,000港元，相比二零零四財政年度，下跌了59.0%。毛利較二零零四財政年度下跌76.8%至約11,700,000港元。股東應佔虧損淨額為11,300,000港元，而二零零四財政年度則錄得33,600,000港元之股東應佔溢利淨額。

本集團已於二零零五財政年度圓滿落成若干樓宇建築工程及地基項目，總合約金額為980,100,000港元，包括畢架山道畢架山一號的住宅發展項目、灣仔告士打道118號的教堂發展項目及荔枝角行人天橋的總承辦商工程。

Chairman's Statement

Owing to the Government's support for environmentally friendly construction methods and exemption of accountable floor area for the pre-cast facade, in order to seize opportunity arising from such trend, the Group in the reviewing year has been developing pre-cast building material such as pre-finished modular for bathroom and kitchen units for repetitive construction.

As the Group's new arm in the PRC for developing its domestic construction and renovation market, the 73%-owned renovation company in Shanghai acquired in September 2003, Jinjiang Wing Hong, in fiscal 2005 has contributed to the Group about RMB35.5 million revenue. Leveraged on the Jinjiang Wing Hong's concrete experience in residential estates and hotels renovation in Shanghai and the Group's extensive construction experience in HK, the Group endeavors to tap the fast growing market opportunities of small-to-medium size renovation projects in the PRC.

OUTLOOK

In view of the recovery of the Hong Kong economy, it is anticipated that local investment and capital markets will be able to sustain its growth continually, which in turn become one of the main forces of fueling growth for HK property market. In addition, the signing of the Closer Economic Partnership Arrangement (CEPA), Hong Kong contractors and services providers can enjoy benefits in setting up wholly-owned enterprise in the PRC. Under this favorable condition, the Group has submitted CEPA application and is under processing now.

For enlarging the profit margins, the management of the Group will commit to seeking and adopting cost effective construction techniques and materials that enable minimization of construction cost and time for completion of contract, and looking for more collaboration and investment opportunities in Hong Kong and the PRC.

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management, our business partners, staffs and shareholders for their earnest support. In the future, we look forward for your continuous support and we will keep on dedicating to perform a stable growth for the Group.

Hui Chi Yung
Chairman

Hong Kong, 28 July 2005

主席報告

鑑於政府支持環保建築方法及豁免計算預製外牆的樓面面積，本集團於回顧年度正努力發展重覆性建築中的預製建築材料，包括預製浴室及廚房模件，務求把握有關的商機。

本集團在二零零三年九月收購擁有73%權益的上海翻新工程公司錦江榮康，以發展其國內建築及翻新工程市場。錦江榮康於二零零五財政年度為本集團帶來約人民幣35,500,000元的收益。憑藉錦江榮康在上海住宅及酒店翻新工程的實質經驗，以及本集團於香港的豐富建築工程經驗，本集團現致力於把握國內中小型翻新項目快速增長的商機。

展望

隨著香港經濟復蘇，預期本地投資及資本市場將持續增長，勢將成為香港房地產市場的主要增長動力之一。此外，簽訂更緊密經貿關係安排(CEPA)將更有利香港承建商及服務供應商於國內成立全資企業。在上述種種的利好條件下，本集團已提交CEPA申請，並正進行有關手續。

為擴大本集團的邊際利潤，本集團管理層銳意尋求及採用具成本效益的建築技術及物料，減省完成合約所需的建築成本及時間，並於中港兩地物色更多合作及投資機遇。

本人謹代表各董事就全體管理層、業務夥伴、員工及股東給予本集團寶貴的支持，向彼等致以衷心謝意。展望未來，我們將有賴各位的支持，並竭力維持集團的持續穩定增長。

主席
許智勇

香港，二零零五年七月二十八日