

WING HING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 621)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2008****RESULTS**

The Board of Directors of Wing Hing International (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2008 together with the comparative figures for the year ended 31 March 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Revenue	3	513,387	480,292
Cost of sales		(490,108)	(425,548)
Gross profit		23,279	54,744
Other income	5	8,735	43,829
Other gains and losses	6	(5,642)	5,713
Administrative and operating expenses		(34,919)	(68,816)
Share of profits/(losses) of associates		21,484	(3,497)
Share of losses of jointly-controlled entities		(4,847)	(19,467)
Finance costs	7	(484)	(1,007)
Profit before tax		7,606	11,499
Income tax expense	8	(1,585)	(734)
Profit for the year	10	6,021	10,765
Attributable to:			
Equity holders of the Company		8,104	9,519
Minority interests		(2,083)	1,246
		6,021	10,765
Earnings per share			
Basic and diluted (HK cents per share)	11	14.74	18.97

CONSOLIDATED BALANCE SHEET

At 31 March 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		16,594	21,198
Prepaid lease payments		190,318	675
Investment property		6,500	4,800
Goodwill		89,829	1,943
Interests in associates		22,253	21,039
Interests in jointly-controlled entities		14,792	9,309
Available-for-sale investment		1	1
Amount due from an investee entity		53,796	16,604
Contract retention receivables	<i>12</i>	10,484	2,154
Deferred tax assets		189	104
		404,756	77,827
Current assets			
Loan receivable		1,000	–
Trade and other receivables	<i>12</i>	98,496	122,344
Pledged bank deposits		21,860	16,675
Bank balances and cash		58,619	33,742
		179,975	172,761
Current liabilities			
Trade and other payables	<i>13</i>	179,217	81,494
Current tax liabilities		669	–
Bank borrowing, secured		–	846
		179,886	82,340
Net current assets		89	90,421
Total assets less current liabilities		404,845	168,248
Capital and reserves			
Share capital	<i>15</i>	69,000	54,300
Reserves		132,075	106,511
Equity attributable to the equity holders of the Company		201,075	160,811
Minority interests		103,003	2,951
Total equity		304,078	163,762
Non-current liabilities			
Deferred tax liabilities		2,487	1,828
Bank borrowing, secured		–	2,658
Promissory note	<i>14</i>	98,280	–
		100,767	4,486
		404,845	168,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Wing Hing International (Holdings) Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is situated at Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda. The Company’s principal place of business in Hong Kong is situated at 14th Floor, Yau Lee Centre, 45 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in (i) the undertaking of superstructure construction, foundation piling, substructure works, slope improvement, special construction projects, interior decoration and landscaping works in Hong Kong; and (ii) the development and management of a series of sophora products and of biological vegetable oil in the People’s Republic of China (the “PRC”).

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 12	Service Concession Arrangements ³
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³

Notes:

1. Effective for annual periods beginning on or after 1 January 2009
2. Effective for annual periods beginning on or after 1 July 2009
3. Effective for annual periods beginning on or after 1 January 2008
4. Effective for annual periods beginning on or after 1 July 2008

The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Construction contract revenue	493,829	447,385
Revenue from sales of goods	19,558	32,907
	513,387	480,292

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organized into six operating divisions:

- (a) Superstructure construction;
- (b) Foundation piling, substructure works and slope improvement;
- (c) Special construction projects;
- (d) Interior decoration and landscaping works;
- (e) Energy-related investments, including the development and management of a series of sophora products and of biological vegetable oil in the PRC; and
- (f) Corporate and others segment, which comprises the Group's investment holding, and trading of construction machines and plastic products.

These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

2008

	Superstructure construction HK\$'000	Foundation piling, substructure works and slope improvement HK\$'000	Special construction projects HK\$'000	Interior decoration and landscaping works HK\$'000	Energy- related investments HK\$'000	Corporate and others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE								
External sales	484,139	9,609	-	81	-	19,558	-	513,387
Inter-segment sales	-	19,489	-	46,887	-	-	(66,376)	-
Total	<u>484,139</u>	<u>29,098</u>	<u>-</u>	<u>46,968</u>	<u>-</u>	<u>19,558</u>	<u>(66,376)</u>	<u>513,387</u>
Inter-segment sales are charged at prevailing market rates.								
RESULT								
Segment result	<u>18,889</u>	<u>6,915</u>	<u>-</u>	<u>3,276</u>	<u>-</u>	<u>1,136</u>	<u>(11)</u>	30,205
Unallocated income								(5,197)
Unallocated corporate expenses								(33,555)
Share of profits/(losses) of								
– associates								21,484
– jointly-controlled entities								(4,847)
Finance costs								(484)
Profit before tax								7,606
Income tax expense								(1,585)
Profit for the year								<u>6,021</u>

	Superstructure construction HK\$'000	Foundation piling, substructure works and slope improvement HK\$'000	Special construction projects HK\$'000	Interior decoration and landscaping works HK\$'000	Energy- related investments HK\$'000	Corporate and others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
BALANCE SHEET								
ASSETS								
Segment assets	99,290	13,205	-	192	279,488	74,322	521	467,018
Interests in associates	-	-	-	-	-	22,253	-	22,253
Interests in jointly-controlled entities	646	1,927	(7,012)	-	-	19,231	-	14,792
Unallocated corporate assets								80,668
Consolidated total assets								<u>584,731</u>
LIABILITIES								
Segment liabilities	93,494	6,916	-	7,565	23	71,219	-	179,217
Unallocated corporate liabilities								101,436
Consolidated total liabilities								<u>280,653</u>
OTHER INFORMATION								
Capital additions	-	53	-	-	284,114	319	-	284,486
Depreciation and amortization	237	2,457	-	3	4,625	1,800	-	9,122
Loss on fair value changes of property, plant and equipment	-	5	-	-	-	-	-	5
Impairment losses on trade receivables	144	775	-	221	-	45	-	1,185
Impairment losses reversed on trade receivables	(420)	(30)	-	(705)	-	-	-	(1,155)
Impairment losses on amounts due from associates	6,198	-	-	-	-	-	-	6,198
Gain on disposal of property, plant and equipment	12	132	-	-	-	(1,509)	-	(1,365)
Loss on disposal of subsidiaries	-	(932)	-	-	-	3,723	-	2,791
Gain on disposal of an associate	-	-	-	-	-	(2)	-	(2)
Gain on fair value changes of investment property	-	-	-	-	-	(1,700)	-	(1,700)
Write back of long-outstanding payables	(847)	-	-	-	-	-	-	(847)
Write off of other receivables	599	-	-	-	-	-	-	599

2007

	Superstructure construction <i>HK\$'000</i>	Foundation piling, substructure works and slope improvement <i>HK\$'000</i>	Special construction projects <i>HK\$'000</i>	Interior decoration and landscaping works <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE							
External sales	400,745	31,466	1,653	13,521	32,907	–	480,292
Inter-segment sales	–	1,704	–	32,082	–	(33,786)	–
Total	<u>400,745</u>	<u>33,170</u>	<u>1,653</u>	<u>45,603</u>	<u>32,907</u>	<u>(33,786)</u>	<u>480,292</u>

Inter-segment sales are charged at prevailing market rates.

RESULT							
Segment result	<u>43,720</u>	<u>46,466</u>	<u>(2,034)</u>	<u>7,672</u>	<u>2,014</u>	<u>(50)</u>	97,788
Unallocated income							6,663
Unallocated corporate expenses							(68,981)
Share of losses of							
– associates							(3,497)
– jointly-controlled entities							(19,467)
Finance costs							<u>(1,007)</u>
Profit before tax							11,499
Income tax expense							<u>(734)</u>
Profit for the year							<u>10,765</u>

BALANCE SHEET

ASSETS							
Segment assets	100,740	15,313	–	3,697	47,505	521	167,776
Interests in associates	–	–	–	702	20,337	–	21,039
Interests in jointly-controlled entities	646	1,621	(14,323)	–	21,365	–	9,309
Unallocated corporate assets							<u>52,464</u>
Consolidated total assets							<u>250,588</u>
LIABILITIES							
Segment liabilities	61,390	14,043	–	3,313	2,748	–	81,494
Unallocated corporate liabilities							<u>5,332</u>
Consolidated total liabilities							<u>86,826</u>

	Superstructure construction <i>HK\$'000</i>	Foundation piling, substructure works and slope improvement <i>HK\$'000</i>	Special construction projects <i>HK\$'000</i>	Interior decoration and landscaping works <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
OTHER INFORMATION							
Capital additions	208	-	-	39	44	-	291
Depreciation and amortization	225	275	-	76	4,329	-	4,905
Loss on fair value changes of property, plant and equipment	11	-	-	-	-	-	11
Impairment losses on trade receivables	130	649	-	210	-	-	989
Impairment losses reversed on trade receivables	(2,246)	-	-	-	-	-	(2,246)
Loss on disposal of property, plant and equipment	100	33	-	32	-	-	165
Loss on disposal of a jointly controlled entity	-	-	111	-	-	-	111
Gain on fair value changes of investment property	-	-	-	-	(400)	-	(400)
Gain on disposal of subsidiaries	-	-	-	(3,843)	-	-	(3,843)
Write back of long-outstanding payables	(74)	(187)	-	(110)	-	-	(371)

Geographical segments

As over 90% of the Group's revenue is derived from customers based in Hong Kong, no further analysis of the Group's segment revenue by geographical area is presented.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, land use right and intangible assets, analyzed by the geographical area in which the assets are located:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Assets located in		
– Hong Kong	268,194	220,240
– PRC	279,492	–
	547,686	220,240
Interests in associates	22,253	21,039
Interests in jointly-controlled entities	14,792	9,309
	584,731	250,588
Capital expenditure		
– Hong Kong	372	291
– PRC	284,114	–
	284,486	291

5. OTHER INCOME

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Service fee income from:		
– jointly-controlled entities	1,549	40,366
– associates	2,045	370
– independent third parties	972	765
	<u>4,566</u>	<u>41,501</u>
Interest income on bank deposits	1,796	785
Interest income on loan to an associate	13	–
Rental income from investment property	22	128
Rental income from machinery held for operating lease purposes	1,308	167
Others	1,030	1,248
	<u>8,735</u>	<u>43,829</u>

6. OTHER GAINS AND LOSSES

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Gain/(Loss) on disposal of property, plant and equipment	1,365	(165)
Gain on early redemption of convertible loan note	48	–
(Loss)/Gain on disposal of subsidiaries	(2,791)	3,843
Gain on disposal of an associate	2	–
Loss on disposal of a jointly-controlled entity	–	(111)
Loss on fair value changes of property, plant and equipment	(5)	(11)
Impairment losses recognized in respect of trade receivables	(1,185)	(989)
Impairment losses reversed in respect of trade receivables	1,155	2,246
Impairment losses recognized in respect of amounts due from associates	(6,198)	–
Write off of other receivables	(599)	–
Write back of long outstanding payables	847	371
Gain on fair value changes of an investment property	1,700	400
Bad debt recovery	19	–
Others	–	129
	<u>(5,642)</u>	<u>5,713</u>

7. FINANCE COSTS

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Interest on bank borrowing wholly repayable within five years	192	1,007
Effective interest expense on convertible loan note	<u>292</u>	<u>–</u>
	<u>484</u>	<u>1,007</u>

No borrowing costs were capitalized during the year ended 31 March 2008 (2007: Nil).

8. INCOME TAX EXPENSE

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current tax		
Hong Kong	669	547
Deferred tax	<u>916</u>	<u>187</u>
Tax charge for the year	<u>1,585</u>	<u>734</u>

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit for the year.

No PRC income tax has been provided in respect of the Group's PRC subsidiary since the PRC subsidiary had no taxable profit for the year.

9. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2008 (2007: Nil).

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Depreciation for property, plant and equipment	4,480	4,888
Less: Amounts capitalized in construction contracts	<u>(2,358)</u>	<u>(3,677)</u>
	2,122	1,211
Amortization of prepaid lease payments	<u>4,642</u>	<u>17</u>
Total depreciation and amortization	<u>6,764</u>	<u>1,228</u>
Auditors' remuneration	<u>834</u>	<u>610</u>
Net foreign exchange losses	<u>233</u>	<u>81</u>
Gross rental income from investment property	(22)	(128)
Less: Direct operating expenses from investment property that generated rental income during the year	<u>25</u>	<u>32</u>
	<u>3</u>	<u>(96)</u>
Minimum lease payments paid under operating leases during the period:		
Leasehold land and buildings	437	1,115
Less: Amounts capitalized in construction contracts	<u>-</u>	<u>(442)</u>
	<u>437</u>	<u>673</u>
Plant and machinery	676	3,117
Less: Amounts capitalized in construction contracts	<u>(676)</u>	<u>(3,117)</u>
	<u>-</u>	<u>-</u>
	<u>437</u>	<u>673</u>

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Employee benefits expense (including directors' remuneration):		
Wages and salaries	46,950	81,685
Contributions to retirement benefits schemes	<u>1,462</u>	<u>3,035</u>
	48,412	84,720
Less: Amounts capitalized in construction contracts	<u>(13,955)</u>	<u>(23,860)</u>
	<u><u>34,457</u></u>	<u><u>60,860</u></u>
Cost of services and inventories recognized as an expense	<u><u>490,108</u></u>	<u><u>425,548</u></u>
Share of tax of associates (included in share of results of associates)	<u><u>4,722</u></u>	<u><u>90</u></u>
Share of tax of a jointly-controlled entity (included in share of results of jointly-controlled entities)	<u><u>158</u></u>	<u><u>155</u></u>

11. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
<u>Earnings</u>		
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the Company)	<u><u>8,104</u></u>	<u><u>9,519</u></u>
<u>Number of shares</u>		
	2008 '000	2007 '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u><u>54,983</u></u>	<u><u>50,184</u></u>

The computation of diluted earnings per share did not assume the exercise of the Company's outstanding warrants as their exercise price was higher than the average market price for shares for the years ended 31 March 2007 and 2008.

12. TRADE AND OTHER RECEIVABLES

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Accounts receivable	68,998	75,214
Less: Allowance for doubtful debts	<u>(27,491)</u>	<u>(27,333)</u>
	<u>41,507</u>	<u>47,881</u>
Contract retention receivables	35,344	33,606
Less: Allowance for doubtful debts	<u>(9,444)</u>	<u>(9,859)</u>
	25,900	23,747
Less: contract retention receivables classified as non-current assets	<u>(10,484)</u>	<u>(2,154)</u>
Retentions held by contract customers included in trade receivables under current assets	<u>15,416</u>	<u>21,593</u>
Amounts due from contract customers	<u>26,603</u>	<u>25,883</u>
Total trade receivables as shown under current assets	<u>83,526</u>	<u>95,357</u>
Prepayments, deposits and other receivables	2,354	2,794
Amounts due from jointly-controlled entities	4,684	8,652
Amounts due from associates	7,932	11,078
Amounts due from minority shareholders	<u>-</u>	<u>4,463</u>
	<u>14,970</u>	<u>26,987</u>
	<u>98,496</u>	<u>122,344</u>

The Group's credit terms for its contracting business are negotiated with contract customers. Accounts receivable of a non-retention nature are generally due within 30 days of certification by independent architects as to the value of the contract works performed and claimed by the Group in its interim applications for progress payment.

Retentions are due on the expiration of contract maintenance/defects liability period, which is determined in accordance with relevant contract terms and generally stipulated as 181 days to 365 days from the date of practical completion of the contract works.

Included in trade receivables are amounts due from contract customers which represent the excess of contract costs incurred to date by the Group plus recognized profits (less recognized losses) over progress billings raised by the Group for respective contracts at the balance sheet date.

An aged analysis of accounts receivable net of allowance for doubtful debts at the balance sheet date, based on the invoice date, is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0-90 days	40,619	45,153
91-180 days	24	276
181-365 days	644	70
Over 365 days	220	2,382
	<u>41,507</u>	<u>2,382</u>
	<u>41,507</u>	<u>47,881</u>

An aged analysis of contract retention receivables net of allowance for doubtful debts at the balance sheet date, based on the invoice date, is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0-90 days	3,487	4,135
91-180 days	3,351	2,639
181-365 days	10,533	4,500
Over 365 days	8,529	12,473
	<u>25,900</u>	<u>23,747</u>
	<u>25,900</u>	<u>23,747</u>

13. TRADE AND OTHER PAYABLES

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Accounts payable	67,923	61,727
Amounts due to contract customers	37,333	11,856
	<u>105,256</u>	<u>73,583</u>
Total trade payables as shown under current liabilities	<u>105,256</u>	<u>73,583</u>
Other payables and accruals	34,485	4,278
Amount due to an associate	39,207	–
Amounts due to jointly-controlled entities	59	2,592
Amounts due to minority shareholders	210	1,041
	<u>73,961</u>	<u>7,911</u>
	<u>179,217</u>	<u>81,494</u>
	<u>179,217</u>	<u>81,494</u>

Included in trade payables are amounts due to contract customers which represent the excess of progress billings raised by the Group for the respective contracts over the contract costs incurred to date by the Group plus recognized profits (less recognized losses) at the balance sheet date.

An aged analysis of accounts payable at the balance sheet date is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0-90 days	37,982	32,515
91-180 days	2,257	3,646
181-365 days	8,166	4,746
Over 365 days	19,518	20,820
	<u>67,923</u>	<u>61,727</u>

14. PROMISSORY NOTE

On 26 March 2008, the Company issued a promissory note with a principal amount of HK\$120,000,000 to the vendor as part of the purchase consideration for the acquisition of the entire equity interests in Farrell Global Limited. The promissory note is transferable, unsecured, interest-free and has a fixed term of five years from the date of issue.

15. SHARE CAPITAL

	<i>Notes</i>	Number of shares	Share capital <i>HK\$'000</i>
Authorized			
At 1 April 2006			
Ordinary shares of HK\$0.1 each		1,000,000,000	100,000
Share consolidation	<i>(b)</i>	<u>(900,000,000)</u>	<u>—</u>
At 1 April 2007 and 31 March 2008			
Ordinary shares of HK\$1 each		<u>100,000,000</u>	<u>100,000</u>
Issued and fully paid			
At 1 April 2006			
Ordinary shares of HK\$0.1 each		362,000,000	36,200
Share consolidation	<i>(b)</i>	<u>(325,800,000)</u>	<u>—</u>
Rights issue	<i>(c)</i>	<u>18,100,000</u>	<u>18,100</u>
At 1 April 2007			
Ordinary shares of HK\$1 each		54,300,000	54,300
Shares issued on acquisition of subsidiaries	<i>(d)</i>	<u>14,700,000</u>	<u>14,700</u>
At 31 March 2008			
Ordinary shares of HK\$1 each		<u>69,000,000</u>	<u>69,000</u>

Notes:

- (a) On 30 August 2005, the Company issued 5,000,000 unlisted warrants to Complete Success Limited at HK\$0.20 each as part of the purchase consideration for acquisition of additional interest in a subsidiary. The warrants were issued to Complete Success Limited in registered form and constituted by a warrant instrument, and rank *pari passu* in all respects among themselves. Each warrant carries the right to subscribe for one share of HK\$1.00 each in the capital of the Company at an adjusted subscription price of HK\$2.64 per share. The exercise in full of the outstanding warrants would, with the capital structure of the Company at 31 March 2008, result in the issue of additional 5,681,818 shares of HK\$1.00 each in the capital of the Company.
- (b) Pursuant to the resolutions passed by the Company's shareholders at the special general meeting of the Company held on 22 May 2006, every 10 then existing ordinary shares of HK\$0.10 each in the issued and unissued share capital of the Company were consolidated into one consolidated share of HK\$1.00.
- (c) In June 2006, the Company completed a rights issue by issuing 18,100,000 shares of HK\$1.00 each at the subscription price of HK\$1.00 per share.
- (d) Pursuant to a sale and purchase agreement dated 10 January 2008, the Company issued 14,700,000 consideration shares to the vendor as part of the purchase consideration for the acquisition of the entire equity interests in Farrell Global Limited.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group's had no outstanding bank borrowings. As at 31 March 2008, the Group's banking facilities were supported by (i) legal charges over the Group's leasehold land and buildings, which are all situated in Hong Kong, with carrying value of approximately HK\$10,630,000, (ii) legal charges over the Group's investment property, which is situated in Hong Kong, with carrying value of approximately HK\$6,500,000, (iii) pledged deposits of approximately HK\$21,860,000 of the Group; (iv) corporate guarantees to the extent of approximately HK\$44.6 million in aggregate executed by the Company in respect of the banking facilities granted to certain subsidiaries of the company; and (v) cross guarantees amongst certain subsidiaries of the Company.

The Group's gearing ratio as at 31 March 2008 was 0.168 (2007: 0.014), calculated based on the Group's total borrowings of HK\$98,280,000 (2007: HK\$3,504,000) over the Group's total assets of HK\$584,731,000 (2007: HK\$250,588,000).

The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship so as to minimize risks in its business.

FOREIGN EXCHANGE EXPOSURE

Since the functional currencies of the Group's operations are mainly Hong Kong dollars, United States dollars and Renminbi, the directors consider that the potential foreign exchange exposure of the Group is limited.

BUSINESS REVIEW

During the year under review, the Group has recorded a turnover of HK\$513 million which represents an increase of 6.9% compared with the turnover recorded in the corresponding period of last year. The Group recorded a net profit from ordinary activities attributable to equity holders of approximately HK\$8.1 million compared with a net profit from ordinary activities attributable to equity holders of approximately HK\$9.5 million for the corresponding period of last year.

Construction and Building

The Group has secured several contracts during the last financial year, which include the Astounding Asia at Ocean Park, an industrial development at No.37-39 Wing Hong Street, Lai Chi Kok, a commercial development at No.7 Shing Yip Street, Kwun Tong, a new annex and swimming pool building for Tsung Tsin Christian Academy at No.8 Lai Hong Road, Cheung Sha Wan and a water mains replacement and rehabilitation contract in joint venture with China Harbour Engineering Company Limited. Together with contracts previously secured, the total value of current contracts on hand amounted to about HK\$675 million.

As regards major completed projects, the Group has satisfactorily completed the through-train school development at Shek Mun, Shatin, 3 minor contracts for an international theme park, a foundation contract for an annex and swimming pool building at Tsung Tsin Christian Academy at No.8 Lai Hong Road, Cheung Sha Wan and the third golf course at Kau Sai Chau which is undertaken through joint venture with China Harbour Engineering Company Limited.

In the leisure market, the Group's associated company, Hypsos Leisure Asia Limited, has secured the project management and implementation of an exhibition building for Johnson & Johnson in Beijing which is designed especially for the forthcoming Beijing Olympic Games.

Due to the continuous fierce competition in the construction market, a net loss of approximately HK\$12,000,000 has been recorded during the period under review arising from the construction sector and joint-ventures in this area.

Wastewater Treatment and Property Development

During the year under review, the Group has signed a Sale and Purchase Agreement for the disposal of certain properties and investments and the wastewater treatment facility project in Zhuhai, China. The details of the disposal can be found in the Company's circular on the "Very Substantial Disposal and Connected Transaction" dated 26 March 2008. The said Sale and Purchase Agreement and the transaction contemplated thereunder were subsequently approved by the shareholders at the special general meeting dated 14 April 2008. Through the disposal, the Group will realize a reasonable return which will be reflected in the 2008/2009 financial year.

PROSPECTS

Looking ahead, in the medium term, it is anticipated that the construction market in both the private and public sectors will steadily recover in tandem with Hong Kong's rising economic activities and the recent government commitment to increase public expenditures in infrastructure developments in the coming financial years. In the short term, as a result of the steady property prices, the construction market arising from property development projects will remain stable. The Group will focus on the high-end and professional construction markets, in particular the leisure areas like theme parks and institutional works. Due to the recent substantial fluctuations in construction materials and oil prices, the Group will continue to adopt a prudent tendering approach and to increase competitiveness by consolidation of the operations.

In China, the Group will prudently explore new investment opportunities. During the year under review, the Group has signed a Sale and Purchase Agreement for the acquisition of three parcels of agricultural land of total area of 54.69 square kilometers in Inner Mongolia Autonomous Region of PRC. The farmland is intended to be used as a plantation base for cultivating kudouzi (as raw material for Chinese medicine) and oil crop (producing feedstock for biodiesel refinery). The details of the acquisition can be found in the Company's circular on the "Very Substantial Acquisition" dated 22 February 2008. The said Sale and Purchase Agreement and the transaction contemplated thereunder were subsequently approved by the shareholders at the special general meeting dated 10 March 2008. The Group believe that due to the recent sharp increase in oil prices, biodiesel will be a viable alternative energy source and the said investment will provide good opportunity for the Group to secure long-term steady income.

In Hong Kong, the Group will concentrate on a few other areas on top of the traditional construction activities. Hypsos Leisure Asia Limited, an associated company established with two European partners, has been actively tendering for works in the leisure construction markets and it is expected that further new projects in this area are forthcoming.

The Group anticipates to evolve gradually from a traditional low-value construction group to a diversified conglomerate comprising construction, environmental engineering and investment, and high-value specialist construction in various areas related to leisure markets. Although the performance in the construction sector has not been satisfactory, the Group has recorded an overall net profit for the year under review. As a result, the Group is seriously considering reducing its participation in the construction market and will put more focus on other investment opportunities.

POST BALANCE SHEET EVENTS

(i) Disposal of subsidiaries

On 4 March 2008, the Company announced that, on 28 February 2008, the Company entered into a conditional sale and purchase agreement (the "Disposal Agreement") with Heart Ace Limited (a connected person of the Company) to dispose of the entire equity interests in Wing Hing Group (BVI) Limited (a wholly-owned subsidiary of the Company) and its shareholder's loan for a total consideration of HK\$171,000,000 (the "Disposal").

Pursuant to the Disposal Agreement, a reorganization of the Group shall be conducted prior to completion of the Disposal. Upon completion of the reorganization, Wing Hing Group (BVI) Limited will directly hold the entire issued share capital of Sunny Engineering Limited and CSP (HK) Limited and indirectly hold 35% of the issued share capital of King Fine Development Limited, 8% of the issued share capital of Wealthy Star Development Limited, 39% of the registered and paid up capital of Veolia Water (Zhuhai) Wastewater Treatment Operations Company Limited and 40% of the registered and paid up capital of Veolia Water (Zhuhai) Wastewater Treatment Company Limited.

The Disposal constitutes a very substantial disposal and a connected transaction on the part of the Company under the Listing Rules. Further details of the Disposal are set out in the Company's circular dated 26 March 2008. The resolutions in respect of the transaction were duly passed by the Company's shareholders at the special general meeting of the Company held on 14 April 2008.

(ii) Acquisition of subsidiaries

On 8 July 2008, the Company announced that Bless Luck International Limited (a wholly owned subsidiary of the Company which was formed by the Company on 2 April 2008) entered into a conditional sale and purchase agreement dated 20 June 2008 with an independent third party to acquire 70% of the entire issued share capital of Union Sense Development Limited for a consideration of HK\$210,000,000. The acquisition constitutes a very substantial acquisition on the part of the Company under the Listing Rules and is subject to the approval of the Company's shareholders at a special general meeting to be convened. Further details of the acquisition are set out in the Company's announcement dated 8 July 2008. The aforesaid acquisition has not been completed as of the date of approval of these consolidated financial statements.

EMPLOYEES

During the year under review, the Group employed approximately 190 staff, excluding workers under exclusive sub-contracting arrangement.

CLOSURE OF REGISTER OF MEMBERS

The register of Members of the Company will be closed from Thursday, 21 August 2008 to Monday, 25 August 2008 both days inclusive, during which period no transfer of shares can be registered. To qualify for attending the 2008 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 August 2008.

CORPORATE GOVERNANCE

The Board is committed to maintaining and ensuring high standards of corporate governance. The company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited for the year ended 31 March 2008, except for the deviation from provision A.2.1 of the Code in respect of the roles of chairman and chief executive officer of the Company. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Code provision A.2.1.

The code provision A.2.1. of the Code provides that the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by same individual. Due to the duties of chairman and CEO rest on the same individual, the corporate governance practices of the company deviate from the Code during the year. The Company is in view of the strong leadership from the chairman which allows configuration of resources of the Company in order to focus on the Company’s business. The chairman has more than 26 years of experience in the construction industry. The Board considers that he is capable to guide discussions and brief the Board in a timely manner on pertinent issues. The Board also considers that this structure will not impair the balance of power and authority between the Board and the management given that there are strong and independent non-executive directors on the Board and a clear division of responsibility for running the business of the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has established written guidelines for the required standard of dealings in securities (the “Written Guideline”) by directors of the Company. Having made specific enquiries of directors of the Company, the Board is pleased to confirm that they have fully complied with the required standard with respect to the securities dealings of the Company and there was no event of non-compliance. The Written Guideline also applies to other specified senior management of the Company.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the financial statements of the Group for the year ended 31 March 2008.

OTHER BOARD COMMITTEES

Besides the Audit Committee, the Board has also established Remuneration Committee and Nomination Committee. Each Committee has its defined scope of duties and written terms of reference.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of shares or other listed securities of the Company or by any of its subsidiaries during the year.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkex.com.hk under “Latest Listed Companies Information” and on the Company at www.whi.com.hk/report.html. The annual report of the Company containing all the information required by the Listing Rules will be published on the websites in due course.

On behalf of the Board
Ng Tat Leung, George
Chairman and Managing Director

Hong Kong, 16 July 2008

As at the date of this announcement, the Board comprises seven directors. The Executive Directors are Mr. Ng Tat Leung, George, Mr. Wong Teck Ming, Mr. Lui Siu Yee, Samuel and Ms. Leung Pui Kwan. The Independent Non-executive Directors are Mr. Wong Lit Chor, Alexis, Dr. Leung Wai Cheung and Mr. Hui Wah Tat, Anthony.