

# WALKER GROUP HOLDINGS LIMITED

## 盈進集團控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1386)

### CLARIFICATION ANNOUNCEMENT

Reference is made to the announcements of the Company dated 31 October 2008 and 3 November 2008, respectively, in relation to the profit warning of the Group's financial results for the six months ended 30 September 2008. The Board would like to clarify certain information as stated in the First Announcement.

Reference is made to the announcements of Walker Group Holdings Limited (the "Company", together with its subsidiaries, the "Group") dated 31 October 2008 (the "First Announcement") and 3 November 2008, respectively, in relation to the profit warning of the Group's financial results for the six months ended 30 September 2008. Terms used herein shall have the same meanings as those defined in the First Announcement unless the context requires otherwise.

As stated in the First Announcement, the Group is expected to record a substantial loss for the six months ended 30 September 2008 as compared to a profit for the corresponding period ended 30 September 2007. The Board would like to clarify that:

- (i) the catastrophic earthquakes in Sichuan, the PRC in May 2008, the decrease in retail sales in Beijing at the time of the Beijing 2008 Olympic Games and the weaker consumer sentiment in Hong Kong and the PRC in face of global financial crises collectively had an adverse impact on the overall performance of the Group for the six months ended 30 September 2008, including that (1) the overall turnover of the Group for the six months ended 30 September 2008 had only slightly increased as compared with the corresponding period ended 30 September 2007 (rather than a decline in the overall turnover of the Group for the six months ended 30 September 2008 as disclosed in paragraph (i) of the First Announcement); and (2) the inventory level of the Group had increased which caused the Group to sell its products at a higher discount; and
- (ii) the rise in inventory cost of the Group caused by the adverse impact of the highly fluctuating oil prices, as disclosed in paragraph (ii) of the First Announcement, had, together with the higher discount sales as mentioned above, resulted in a decrease in the gross profit of the Group for the six months ended 30 September 2008.

\* For identification purpose only

Information contained in this announcement is only based on preliminary assessment of the management accounts of the Group by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors as the results for the six months ended 30 September 2008 are still in the course of being finalized by the Company.

Shareholders of the Company and potential investors are advised to read carefully the unaudited consolidated interim results announcement of the Group for the six months ended 30 September 2008 which is expected to be published before the end of December 2008.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board of  
**Walker Group Holdings Limited**  
**CHU Yin Man**  
*Executive Director*

Hong Kong, 4 November 2008

*As at the date of this announcement, the Board comprises three executive directors, namely Ms. CHAN Mei Sheung, Mr. KIU Wai Ming and Mr. CHU Yin Man, and three independent non-executive directors, namely Mr. SZE Tsai Ping, Michael, Dr. FAN Yiu Kwan, JP and Mr. TSANG Link Carl, Brian.*