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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)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ending 31 March 2009 as compared to a profit for the year ended 31 March 2008.

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

This announcement is made by Walker Group Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 18 December 2008 in relation to its unaudited consolidated interim results for the six months ended 30 September 2008 in which the Company announced that the Group recorded an unaudited consolidated net loss of approximately HK\$57 million for the six months ended 30 September 2008.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board, the Group may expect to record a loss for the six months ending 31 March 2009, which, however, would be less than the Group’s loss for the six months ended 30 September 2008. The above preliminary assessment has been made by the Board after taking into account the following key factors:

- (i) based on the unaudited consolidated management accounts of the Group for the four months ended 31 January 2009, the Group’s results continued to be adversely affected by, among other factors, (1) the global financial crisis which affected consumers’ spending; (2) high inventory costs resulted from purchase orders for inventories placed by the Group to its suppliers at times when prices for oil related by-products and materials were high; and (3) higher discount sales were offered to customers in view of the economic situation; and

* *For identification purpose only*

(ii) based on monthly statements of the financial investments, the fair value of the Group's financial investments as at 28 February 2009 has further decreased as compared to their fair value as at 30 September 2008. As at 28 February 2009, such financial investments comprised of unlisted equity linked notes with total estimated fair value of approximately HK\$37 million and listed securities investment and a bond fund with total estimated fair value of approximately HK\$22 million (together the "Investments"). Based on the aforesaid fair value as at 28 February 2009, the Group had a fair value loss on financial assets in the income statement amounting to approximately HK\$5 million on unlisted equity linked notes and a fair value loss in reserve of approximately HK\$24 million on listed securities investment and bond fund for the five months ended 28 February 2009.

Accordingly, the Group may expect to record a loss for the year ending 31 March 2009 as compared to a profit attributable to equity holders of the Company of approximately HK\$95 million for the year ended 31 March 2008. However, the Board is of the view that the financial position of the Group remains healthy and liquid.

Information contained in this announcement is only based on preliminary estimate and assessment of the management accounts and fair value of financial investments of the Group by the management of the Company and is not based on any figures or information to be audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to read carefully the audited consolidated results announcement of the Group for the year ending 31 March 2009 which is expected to be published before the end of July 2009.

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
CHAN Mei Sheung
Chairman

Hong Kong, 23 March 2009

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.