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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 for the financial year ending 31 March 2012, it is expected that depending on the actual sales performance of the Group for the month of February and March 2012 and the fair value of financial investments of the Group as at 31 March 2012, the Group may record a loss or slight profit as compared with an audited consolidated net profit of approximately HK\$23 million for the year ended 31 March 2011.

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

The 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 4 October 2011 in relation to profit warning that based on the reasons therein mentioned it was expected that the Group would record a loss for the six months ending 30 September 2011 as compared to a profit of approximately HK\$344,000 for the corresponding period ended 30 September 2010. As announced by the Company on 25 November 2011, the Group recorded a consolidated net loss of approximately HK\$5,585,000 for the six months ended 30 September 2011.

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 estimate and assessment made by the Board according to the unaudited consolidated management accounts of the Group for the ten months ended 31 January 2012 and other information currently available to the Company, it is expected that depending on the actual sales performance of the Group for the month of February and March 2012 and the fair value of financial investments of the Group as at 31 March 2012 the Group may record a loss or slight profit for the year ending 31 March 2012 as compared with an audited consolidated net profit of approximately HK\$23 million for the year ended 31 March 2011 mainly due to

* *For identification purpose only*

escalating operating costs in the PRC and Hong Kong such as increase of rental and staff salaries and the prevalence of relatively mild weather prior to the festive seasons had an adverse impact on the sentiment to spend on winter associated outfit which turned customary high turnover for such periods sluggish and earlier seasonal discounts were offered to boost sales.

The Board is of the view that the financial position of the Group is liquid.

Information contained in this announcement is not based on any figures or information that have been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to read carefully the audited consolidated annual results announcement of the Group for the year ended 31 March 2012 which is expected to be published before the end of June 2012.

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, 29 February 2012

As at the date of this announcement, the Board comprises:

Executive directors:

Ms CHAN Mei Sheung
Mr. KIU Wai Ming
Mr. CHU Yin Man

Independent non-executive directors:

Mr. SZE Tsai Ping, Michael
Dr. FAN Yiu Kwan, JP
Mr. LEE Kwan Hung