

Chairman's Statement

On behalf of the Board of Directors (the "Board") of Wing Shing International Holdings Limited (the "Company"), I am pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31st March 2005.

- The Group's turnover totaled HK\$284,478,000;
- Loss attributable to shareholders amounted to HK\$4,737,000;
- The Group persisted in effective cost-control measures and proactive pricing review;
- The Group was undergoing two acquisitions in line with its business strategy of expanding both customer base and product range;
- The Group underpinned the implementation of enterprise resource planning ("ERP") system and environmental protection management system on the agenda.

Overall speaking, the operating environment for petroleum-linked industries including us had experienced challenging time during the previous year. Intense competition as well as the ever soaring crude oil price had adversely affected the sales performance and simultaneously undermined the gross profit margin of the Group's business operation.

Nevertheless, with our twofold effort at stringent cost-control and continuous pricing review in relaxing the increased petroleum-based raw materials costs, the overall profitability of the Group will be improving in the year ahead.

The necessary approvals from the relevant PRC government authorities for completion of the two business acquisitions by the Group, namely the Dongguan City Changan Xinyimei Paint Company Limited and the Zhongshan Wing Shing Ling Feng Chemical Company Limited, a limited liability company established in Zhong Shan City, have been in the pipeline. Contributions to be stemmed from such strategic moves to expand our customer base and product range are anticipated to be consolidated into the Group's result respectively in the second half of this year.

Meanwhile, the Group has already made the kick off for the implementation of an ERP system within the organization. On the other hand, the Group has set the goal of achieving the accreditation of ISO14000 environmental protection management system for its major production facilities in Dongguan City of PRC in the coming year.

Finally, I would like to extend my gratitude to our business partners, bankers and shareholders who have been supportive to us over the years. I would also like to express my appreciation to our staff for their commitment and dedication especially during the relatively hard time last year.

Poon Sum

Chairman

Hong Kong, 27th July 2005