

On behalf of the Board of Directors (the "Board") of Wing Shing International Holdings Limited (the "Company"), I am pleased to report the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st March 2006.

During the financial year under review, the Group has achieved encouraging results. The Group's turnover totaled HK\$262,918,000 and the profit attributable to shareholders amounted to HK\$11,536,000. Excluding a one-off HK\$5,065,000 negative goodwill from the acquisition of Zhongshan Wing Shing Ling Feng Chemical Company Limited, net profit attributable to shareholders amounted to approximately HK\$6,471,000. Shortly after the desperate operation under the unfavourable business environment during the previous year, our net profit was rebounding. Underpinning the turnaround in profit was a good controlling of cost resulting in the improvement of gross profit margin.

Although the Group's turnover has decreased this year, the gross profit margin increased from 17.0% to 19.0%. The Group made progress in improving production efficiency as well as in attaining economies of scale from continued business combinations. At the same time, our commitment to stringent cost-control measures with proactive periodic review yielded satisfactory results. The Group also intensified its business strategies especially in the areas of products research and development, customer relationship management as well as mergers and acquisitions so as to pursue the business objectives of both internal growth and external expansion.

We have been prudent in exploring and materializing investment opportunities to fit with our horizontal-expansion and vertical-integration strategies. We believe the projects we have invested in over the last couple of years will mature gradually and that their contributions will accelerate. The 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 have been ready to fight for the markets. We are anticipating the positive contributions to be stemmed from such strategic moves in the coming years.

Nonetheless, the operating environment during the financial year under review remained uniquely challenging, due to the surge in oil and petrochemical prices, increases in labour costs, higher utility costs and the appreciation in the Renminbi. Definitely, without the total commitment of our staff as well as the continuous patronage of our customers and business partners, the overall improvement could not have been achieved.

On behalf of the Board, I wish to extend my gratitude to our customers, suppliers, business partners, bankers and shareholders who have been supportive to us over the years. Again, I would also like to express my appreciation to our dedicated staff for their invaluable service and commitment especially during the relatively hard time last year.

Poon Sum
Chairman

Hong Kong, 25th July 2006