WLS Holdings Limited
滙隆控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8021)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

* *For identification purpose only*

The Board of Directors (the "Board") of WLS Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 30 April 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2014

	NOTES	2014 HK$'000	2013 HK$'000
Turnover	2	**111,961**	125,949
Cost of sales		**(102,254)**	(106,741)
Gross profit		**9,707**	19,208
Other income	4	**1,058**	1,570
Operating and administrative expenses		**(75,012)**	(32,771)
Increase in fair value of investment properties		**620**	6,410
(Loss)/gain on disposal of property, plant and equipment		**(183)**	6
Finance costs	5	**(2,093)**	(1,612)
Impairment of goodwill		**(3,138)**	–
Impairment of amounts due from associates and joint ventures		**–**	(6,779)
Loss before taxation		**(69,041)**	(13,968)
Taxation	6	**7,572**	(661)
Loss for the year	7	**(61,469)**	(14,629)
Other comprehensive income, net of tax		**–**	–
Total comprehensive loss for the year		**(61,469)**	(14,629)
Loss and total comprehensive loss attributable to:			
Equity holders of the Company		**(61,275)**	(14,219)
Non-controlling interests		**(194)**	(410)
		(61,469)	(14,629)
Dividend	8	**–**	–
Loss per share – basic	9	**(HK5.20 cents)**	(HK1.27 cents)
Loss per share – diluted	9	**(HK5.20 cents)**	(HK1.27 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 APRIL 2014

	NOTES	30 April 2014 HK$'000	30 April 2013 HK$'000
Non-current assets			
Investment properties		**36,370**	35,750
Property, plant and equipment		**33,870**	30,641
Deferred tax assets		**8,018**	–
Goodwill		**–**	3,138
Intangible assets		**–**	–
Interests in associates		**–**	–
Interests in joint ventures		**–**	–
		78,258	69,529
Current assets			
Amounts due from associates		**34**	–
Amounts due from joint ventures		**15**	–
Amounts due from customers for contract work		**24,704**	64,297
Inventories		**774**	876
Prepayments, deposits and other current assets		**6,068**	2,438
Trade and other receivables	*10*	**58,920**	57,072
Retention monies receivables		**6,348**	6,717
Current tax recoverable		**80**	62
Pledged bank deposit		**680**	680
Bank balances and cash		**7,405**	7,221
		105,028	139,363
Current liabilities			
Other loans – unsecured		**9,689**	5,341
Amounts due to customers for contract work		**6,452**	3,289
Trade and other payables	*11*	**15,054**	14,957
Retention monies payables		**1,779**	3,251
Obligations under finance leases – current portion		**577**	610
Current tax payable		**2,872**	1,133
Bank loans		**41,205**	35,237
Bank overdrafts		**11,772**	13,968
		89,400	77,786
Net current assets		**15,628**	61,577
Total assets less current liabilities		**93,886**	131,106

	NOTES	**30 April 2014** **HK$'000**	30 April 2013 HK$'000
Non-current liabilities			
Obligations under finance leases – non-current portion		**444**	1,021
Deferred tax liabilities		**273**	2,111
		717	3,132
Net assets		**93,169**	127,974
Capital and reserves			
Share capital		**13,843**	11,198
Reserves		**85,780**	123,036
Equity attributable to equity holders of the Company		**99,623**	134,234
Non-controlling interests		**(6,454)**	(6,260)
Total equity		**93,169**	127,974

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Share capital	**Share premium**	**Merger reserve**	**Share option reserve**	**Warrant reserve**	**Retained profits/ (Accumulated losses)**	**Total**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
1 May 2012	11,198	119,374	2,222	7,667	–	7,316	147,777	(6,000)	141,777
Loss and total comprehensive loss for the year	–	–	–	–	–	(14,219)	(14,219)	(410)	(14,629)
Issue of warrants	–	–	–	–	200	–	200	–	200
Grant of share options	–	–	–	476	–	–	476	–	476
Share options lapsed during the year	–	–	–	(969)	–	969	–	–	–
Capital contribution by non-controlling interests	–	–	–	–	–	–	–	150	150
30 April 2013 and 1 May 2013	11,198	119,374	2,222	7,174	200	(5,934)	134,234	(6,260)	127,974
Loss and total comprehensive loss for the year	–	–	–	–	–	(61,275)	(61,275)	(194)	(61,469)
Placing of shares	2,239	21,947	–	–	–	–	24,186	–	24,186
Exercise of share options	406	2,072	–	–	–	–	2,478	–	2,478
Share options lapsed during the year	–	–	–	(5,530)	–	5,530	–	–	–
30 April 2014	**13,843**	**143,393**	**2,222**	**1,644**	**200**	**(61,679)**	**99,623**	**(6,454)**	**93,169**

Notes:

(1) At 30 April 2014, the accumulated losses of the Group included accumulated losses of HK$143,000 (2013: accumulated losses of HK$143,000) attributable to associates of the Group.

(2) At 30 April 2014, the accumulated losses of the Group included accumulated losses of HK$2,404,000 (2013: accumulated losses of HK$2,404,000) attributable to joint ventures of the Group.

(3) The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal value for the issued share capital of the subsidiaries acquired pursuant to the Group's reorganisation on 23 November 2001.

(4) The share option reserve of the Group represents the fair value of share options granted to the directors and employees of the Company at the relevant grant dates.

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The final results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 30 April 2014 but are extracted therefrom.

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

(b) Basis of preparation of financial statements

These consolidated financial statements have been prepared under the historical cost basis except for certain investment properties which are measured at fair value.

The principal accounting policies and methods of computation used in the preparation of the consolidated financial statements for the year ended 30 April 2014 are consistent with those adopted in the preparation of the consolidated financial statements for the year ended 30 April 2013, except for the adoption of the new and revised HKFRSs as explained below.

These consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

In the current year, the Group has adopted the following new and revised HKFRSs, which are relevant to the preparation of the consolidated financial statements for annual reporting periods beginning on or after 1 May 2013:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 Amendments	Amendments to HKAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of amendments to HKAS 1, HKFRS 7, HKFRS 10, HKFRS 11, HKFRS 12, and HKFRS 13, the adoption of the new and revised HKFRSs has had no significant financial effect on the consolidated financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) The amendments to HKFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 "Financial Instruments: Presentation" and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32. The adoption of the amendments does not have an impact on the consolidated financial statements because the Group has not offset financial instruments, nor has it entered into a master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the period presented.

(b) HKFRS 10 replaces the portion of HKAS 27 "Consolidated and Separate Financial Statements" that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 "Consolidation – Special Purpose Entities". It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

    As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group. The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 May 2013.

(c) HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures" and HK(SIC)-Int 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

    The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11, and concluded that the Group's investments in joint arrangements, which were previously classified as jointly-controlled entities under HKAS 31 and were accounted for using the equity method, should be classified as joint ventures under HKFRS 11 and be accounted for using the equity method. The application of HKFRS 11 does not change the accounting for investments in joint ventures as at 1 May 2013.

(d) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 "Consolidated and Separate Financial Statements", HKAS 31 "Interests in Joint Ventures" and HKAS 28 "Investments in Associates". It also introduces a number of new disclosure requirements for these entities.

(e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

The Group has not early adopted the following new standards, amendments to standards or interpretations that have been issued but are not yet effective, as the Group is still not in the position to estimate the impact that may arise from the application of these new standards and interpretations.

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKAS 11	Accounting for acquisitions of interests in joint operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[6]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
HKFRS 9	Financial instruments[3]
HKFRS 14	Regulatory deferral accounts[5]
HK(IFRIC)-Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
6 Effective for annual periods beginning on or after 1 January 2016.

2. TURNOVER

	2014	2013
	HK$'000	*HK$'000*
Contract revenue in respect of construction and buildings work for the provision of		
– scaffolding services	**83,040**	117,371
– fitting out services	**14,745**	2,341
Management contracting services	**1,843**	55
Gondolas, parapet railings and access equipment installation and maintenance services	**12,333**	6,182
	111,961	125,949

3. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. For the year ended 30 April 2014, the Group has three reportable segments – (i) scaffolding and fitting out services for construction and buildings work (ii) management contracting services for construction and buildings work, and (iii) gondolas, parapet railings and access equipment installation and maintenance services. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the years ended 30 April 2014 and 2013 is presented below:

2014

THE PROFIT OR LOSS IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Scaffolding and fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
For the year ended 30 April 2014					
REVENUE					
Total external sales	**97,785**	**1,843**	**12,333**	**–**	**111,961**
SEGMENT RESULTS					
Gross profit	**5,848**	**287**	**3,572**	**–**	**9,707**
Operating and administrative expenses	**(68,941)**	**(221)**	**(1,399)**	**(4,451)**	**(75,012)**
	(63,093)	**66**	**2,173**	**(4,451)**	**(65,305)**
Other income					**1,058**
Increase in fair value of investment properties					**620**
Loss on disposal of property, plant and equipment					**(183)**
Finance costs					**(2,093)**
Impairment of goodwill					**(3,138)**
Loss before taxation					**(69,041)**
Taxation					**7,572**
Loss for the year					**(61,469)**

2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Scaffolding and fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
ASSETS					
Segment assets	**115,292**	**15,307**	**7,526**	**45,112**	**183,237**
Amounts due from associates	**34**	–	–	–	**34**
Amounts due from joint ventures	**7**	–	–	**8**	**15**
Total assets	**115,333**	**15,307**	**7,526**	**45,120**	**183,286**
LIABILITIES					
Segment liabilities	**85,827**	**348**	**2,180**	**1,762**	**90,117**

2014

OTHER INFORMATION

	Scaffolding and fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital expenditure	**(8,628)**	–	**(220)**	–	**(8,848)**
Depreciation	**(4,090)**	–	**(390)**	**(314)**	**(4,794)**
Allowance for bad and doubtful debts	**(268)**	–	–	–	**(268)**
Write-off of amounts due from customers for contract work	**(56,040)**	**(36)**	–	–	**(56,076)**
Write-off of prepayments, deposits and other current assets	–	–	–	**(150)**	**(150)**
Impairment of goodwill	–	–	**(3,138)**	–	**(3,138)**
Increase in fair value of investment properties	–	–	–	**620**	**620**
Loss on disposal of property, plant and equipment	**(183)**	–	–	–	**(183)**

2013

THE PROFIT OR LOSS IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Scaffolding and fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
For the year ended 30 April 2013					
REVENUE					
Total external sales	119,712	55	6,182	–	125,949
SEGMENT RESULTS					
Gross profit/(loss)	17,420	(71)	1,859	–	19,208
Operating and administrative expenses	(25,008)	(62)	(4,575)	(3,126)	(32,771)
	(7,588)	(133)	(2,716)	(3,126)	(13,563)
Other income					1,570
Increase in fair value of investment properties					6,410
Gain on disposal of property, plant and equipment					6
Finance costs					(1,612)
Impairment of amounts due from associates and joint ventures					(6,779)
Loss before taxation					(13,968)
Taxation					(661)
Loss for the year					(14,629)

2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Scaffolding and fitting out services for construction and buildings work	Management contracting services for construction and buildings work	Gondolas, parapet railings and access equipment installation and maintenance services	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Segment assets	**132,342**	**14,400**	**9,713**	**52,437**	**208,892**
LIABILITIES					
Segment liabilities	**73,273**	**140**	**5,830**	**1,675**	**80,918**

2013

OTHER INFORMATION

	Scaffolding and fitting out services for construction and buildings work	Management contracting services for construction and buildings work	Gondolas, parapet railings and access equipment installation and maintenance services	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure	**(8,534)**	**–**	**(1,009)**	**(7)**	**(9,550)**
Depreciation	**(3,552)**	**–**	**(328)**	**(314)**	**(4,194)**
Allowance for bad and doubtful debts	**(10,350)**	**–**	**(3,102)**	**–**	**(13,452)**
Impairment of amounts due from associates joint ventures	**(2,385)**	**(117)**	**–**	**(4,277)**	**(6,779)**
Increase in fair value of investment properties	**–**	**–**	**–**	**6,410**	**6,410**
Gain on disposal of property, plant and equipment	**6**	**–**	**–**	**–**	**6**

Geographical Segments

	Revenue		Carrying amount of segment assets		Capital expenditure incurred during the year	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**111,644**	126,249	**166,967**	193,269	**8,848**	9,550
Macau	**317**	(300)	**16,319**	15,623	**–**	–
	111,961	125,949	**183,286**	208,892	**8,848**	9,550

Information on major customers

During the year, the Group had transactions with two (2013: two) customers who each contributed to over 10% of the Group's total gross revenue for the year. A summary of revenue earned from each of these major customers is set out below:

	2014	2013
	HK$'000	*HK$'000*
Customer 1	**44,303**	61,273
Customer 2	**16,246**	–
Customer 3	**–**	14,210
	60,549	75,483

4. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Foreign exchange gains, net	**2**	17
Interest income	**8**	10
Rental income, net of outgoings of nil	**1,002**	899
Sundry income	**46**	328
Reversal of bad debts	**–**	22
Write-back of other payables	**–**	200
Write-back of amounts due to a related company	**–**	94
	1,058	1,570

5. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans		
– wholly repayable within five years	**1,030**	953
– wholly repayable beyond five years	**438**	169
Interest on other loans	**580**	393
Interest on obligations under finance leases	**93**	107
	2,141	1,622
Less: Amount capitalised in construction contracts	**(48)**	(10)
	2,093	1,612

6. TAXATION

	2014	2013
	HK$'000	*HK$'000*
Taxation comprises:		
Hong Kong Profits Tax		
Current year	**49**	28
Underprovision in prior years	**2,235**	305
	2,284	333
Deferred tax		
Current year	**(9,856)**	328
	(7,572)	661

Provision for Hong Kong Profits Tax has been made at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year (2013: 16.5%).

No Macau Complementary Tax has been provided as the Group had no assessable profits subject to such tax during the year (2013: Nil).

7. LOSS FOR THE YEAR

	2014 *HK$'000*	2013 *HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Allowance for bad and doubtful debts	**268**	10,350
Write-off of trade receivables	**–**	91
Write-off of amounts due from customers for contract work	**56,076**	3,011
Impairment of goodwill	**3,138**	–
Write-off of inventories	**10**	–
Write-off of prepayments, deposits and other current assets	**150**	–
Auditor's remuneration	**795**	931
Cost of inventories recognised as an expense	**1,090**	1,441
Depreciation		
Owned assets	**4,372**	4,102
Assets held under finance leases	**422**	92
	4,794	4,194
Less: Amount capitalised in construction contracts	**(3,999)**	(3,140)
	795	1,054
Loss/(gain) on disposal of property, plant and equipment	**183**	(6)
Minimum lease payments for operating leases in respect of land and buildings	**1,375**	1,154
Less: Amount capitalised to construction contracts	**(1,256)**	(1,036)
	119	118
Staff costs including directors' emoluments		
– Equity-settled share option expenses	**–**	476
– Settled by other means	**35,771**	38,999
	35,771	39,475
Less: Amount capitalised in construction contracts	**(16,022)**	(21,928)
	19,749	17,547

8. DIVIDEND

No dividend has been proposed by the directors for the year ended 30 April 2014 (2013: None).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to the equity holders of the Company of HK$61,275,000 (2013: HK$14,219,000) for the year and on the weighted average number of 1,177,990,000 (2013: 1,119,762,000) ordinary shares outstanding during the year.

No adjustment has been made to the loss per share amount presented for the period in respect of the share options that are fully exercised during the year as the impact on the share options has an anti-dilutive effect on the loss per share amount presented.

10. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**59,168**	57,072
Other receivables	**–**	20,700
	59,168	77,772
Less: Allowance for bad and doubtful debts	**(248)**	(20,700)
	58,920	57,072

Movements in the allowance for bad and doubtful debts during the year were as follows:–

	2014	2013
	HK$'000	*HK$'000*
1 May	**20,700**	12,457
Allowance for bad and doubtful debts	**248**	10,350
Amounts written off as uncollectible	**(20,700)**	(2,107)
30 April	**248**	20,700

Included in the above allowances for impairment of trade and other receivables of the Group are allowances for individually impaired trade receivables of HK$248,000 (2013: HK$20,700,000). The individually impaired receivables relate to customers that were in default and only a portion of the receivables is expected to be recovered.

The credit terms given to each individual customer were in accordance with the payment terms stipulated in the relevant tenders or contracts. The aged analysis of trade and other receivables is as follows:

	2014	2013
	HK$'000	*HK$'000*
0 to 90 days	**21,288**	28,177
91 to 180 days	**9,443**	3,382
181 to 365 days	**8,339**	4,657
Above 1 year	**20,098**	41,556
	59,168	77,772

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$10,412,000 (2013: HK$10,216,000) with an aged analysis as follows:

	2014	2013
	HK$'000	*HK$'000*
0 to 90 days	**6,311**	6,793
91 to 180 days	**3,041**	1,088
181 to 365 days	**1,010**	2,264
Above 1 year	**50**	71
	10,412	10,216

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

(i) On 14 May 2014, the Company granted to certain directors and consultants of the Group a total of 77,820,000 share options to subscribe for 77,820,000 new ordinary shares of HK$0.01 each at exercise price of HK$0.078 per share with the exercise period from 28 May 2014 to 27 May 2016. Details are set out in the Company's announcement dated 14 May 2014.

(ii) On 20 May 2014, the Company granted to certain directors of the Group a total of 6,000,000 share options to subscribe for 6,000,000 new ordinary shares of HK$0.01 each at exercise price of HK$0.081 per share with the exercise period from 4 June 2014 to 3 June 2016. Details are set out in the Company's announcement dated 20 May 2014.

(iii) On 21 May 2014, a holder of 100,000,000 unlisted warrants of the Company exercised 50,000,000 warrants. The warrants were initially granted on 28 August 2012 and carry a right to subscribe up 100,000,000 Warrant Share at an initial exercise price of HK$0.075 during a period of 30 months (less 28 days) commencing from (and inclusive of) the date falling 14 days after the issue of the warrants. 50,000,000 new ordinary shares were issued and a proceed of HK$3,750,000 was received by the Company.

(iv) On 9 June 2014, the holder referred to in (iii) above exercised the remaining 50,000,000 warrants. 50,000,000 new ordinary shares were issued and a proceed of HK$3,750,000 was received by the Company.

(v) On 12 June 2014, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to acquire an aggregate of 51% equity interest in Dragon Oriental Investment Limited (the "Target Company"), a company incorporated in the British Virgin Islands ("BVI") which is principally engaged in property investment in Hong Kong, at consideration of HK$21,700,000. The Target Company owns a property located at Hip Wo Street, Kwun Tong, Kowloon. As at the reporting date, a deposit of HK$4,340,000 had been paid and the acquisition has not yet been completed. Details of the transaction are set out in the Company's announcement dated 12 June 2014.

(vi) On 27 June 2014, the Company entered into a conditional placing agreement with placing agent ("Placing Agent") in relation to the placing of the convertible bonds ("Convertible Bonds") in the aggregate principal amounts of HK$30,000,000 to not less than six placees who are not acting in concert with connected persons of the Company, failing which, the Placing Agent will subscribe for the Convertible Bonds.

The bondholders will have the right to convert the whole or part of the principal amount of the Convertible Bonds into conversion shares at the initial conversion price, being HK$0.10 per conversion shares ("Initial Conversion Price"), subject to adjustments, for a period of 1 year commencing from the date of issue of the Convertible Bonds. Assuming the conversion rights attached to the Convertible Bonds are exercised in full at the Initial Conversion Price, a maximum of 300,000,000 conversion shares ("Conversion Shares") will be allotted and issued by the Company.

The Conversion Shares will be issued under the specific mandate to be obtained at an extraordinary general meeting of the Company. Details are set out in the Company's announcement dated 27 June 2014.

(vii) On 3 July 2014, another holder of 100,000,000 unlisted warrants of the Company exercised 100,000,000 warrants. The warrants were initially granted on 28 August 2012 and carry a right to subscribe up 100,000,000 Warrant Share at an initial exercise price of HK$0.075 during a period of 30 months (less 28 days) commencing from (and inclusive of) the date falling 14 days after the issue of the warrants. 100,000,000 new ordinary shares were issued and a proceed of HK$7,500,000 was received by the Company.

(viii) On 17 July 2014, the Company proposed a Share Consolidation on the basis that every four (4) issued and unissued Shares of HK$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK$0.04 each, subject to the passing of an ordinary resolution by the Shareholders to approve the proposal at an extraordinary general meeting and the Listing Division of the Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consolidation Shares upon the Share Consolidation becoming effective. Details of the proposal are set out in the Company's announcement dated 17 July 2014.

(ix) On 22 July 2014, the Company proposed to change the domicile of the Company from the Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The implementation of the Change of Domicile will not affect the continuity of the Company and its listing status.

In connection with the Change of Domicile, it is proposed that the New Memorandum and the Bye-laws be adopted by the Company to replace, respectively, the Memorandum and the Articles in order to comply with the company law of Bermuda.

The Company also proposed to cancel the entire amount standing to the credit of the share premium account of the Company and to transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company before the Change of Domicile becoming effective. Details of the proposal are set out in the Company's announcement dated 22 July 2014.

(x) On 24 July 2014, the Company announced that the registered office of the Company in the Cayman Islands was changed to Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands with effect from 23 July 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 30 April 2014, the turnover of the Group amounted to approximately HK$111,961,000, representing a decrease of about 11% as compared with a turnover of approximately HK$125,949,000 of the preceding year. Net loss attributable to equity holders of the Company for the year ended 30 April 2014 was approximately HK$61,275,000, as compared to a net loss attributable to equity holders of the Company of approximately HK$14,219,000 of the preceding year.

Scaffolding services

During the reporting year, the performance of the Group's scaffolding division was affected by peers bidding on projects with competitive prices, resulting in reduced profit margins to the industry. In addition, the Group has encountered a shortage of skilled workers, which has been a challenge for the whole industry, leading to high labour costs during the year. Thanks to our impeccable track record, the Group was awarded 25 new contracts during the year ended 30 April 2014 despite the keen competition. The average amount of each contract increased due to larger scale of the projects compared with last year. The newly invented scaffolding system "Pik-Lik" (formerly called "Thunderbolt") was brought into use and contributed to the Group's revenue during the year. The utilisation rate of "Pik-Lik" has reached approximately 15%. The provision of scaffolding services at the Mass Transit Railway Ocean Park Station and Wong Chuk Hang Station, together with two large construction sites in Yoho Town 3 and Sha Po respectively, all proceeded according to plan.

Fitting out services

Regarding the operating results of the fitting out business division, one new contract was secured during the year. The contract for the provision of fitting out services to the bridal room at the 100th floor of International Commerce Centre was completed during the year.

Management contracting services

With regard to the management contracting business division, a contract for the supply and installation of glass re-inforced concrete (GRC) panels for the Mass Transit Railway Express Rail Link in Shek Kong, New Territories was awarded and progressed according to plan.

Gondolas, parapet railings and access equipment installation and maintenance services

As for gondolas, parapet railings and access equipment installation and maintenance services, the Group recorded satisfactory results in the access equipment division. The positive results were attributable to the flourishing rental market for temporary gondolas. The contract for the supply and installation of an aerial working platform and a personal lift to the Riva was completed. Meanwhile, the Group secured 23 new contracts during the year under review.

In addition, the supply and installation of building maintenance units to the Mass Transit Railway Hong Kong University Station and to a residential development on Blue Pool Road have been in progress and on schedule. During the year, the Group's temporary gondola fleet achieved nearly full utilisation rate.

Research & Development and awards

During the year under review, the Group strived to enhance its research and development ability and further develop its newly invented "Pik-Lik" scaffolding system. The "Pik-Lik" scaffolding system is expected to be widely adopted by the market because of high operational efficiency and its ability to save manpower.

The Group has been playing a vital role in the scaffolding industry thanks to its high-quality service. It was awarded two monthly best safety subcontractor awards in recognition of its effort in safety compliance during the year under review.

BUSINESS OUTLOOK

Looking forward, with the deployment of newly invented "Pik-Lik" scaffolding system, the Group is confident with the prospects of the scaffolding industry. It saves up to 75% manpower compared with traditional systems and is able to ease manpower shortage problem. The Group will further promote the usage of "Pik-Lik" to improve operational efficiency.

Regarding access equipment, which is one of the key growth drivers, the Group is planning to purchase an additional 50 gondolas to meet the increasing demand in future.

Other than the core business, the Group is seeking possible acquisition opportunities to diversify its business portfolio, with an emphasis on but not limited to property investment. On 12 June 2014, the Group entered into a sales and purchase agreement to acquire an aggregate interest of 51% equity interest in Dragon Oriental Investment Limited (the "Target Company"), a company incorporated in the British Virgin Islands ("BVI") which is principally engaged in property investment in Hong Kong, at a consideration of HK$21.7 million. The Target Company owns a property located in Hip Wo Street, Kwun Tong, Kowloon, with a saleable floor area of approximately 420 sq. ft. The property is currently leased to an independent third party at a monthly rental of HK$75,000. Management expects that it would generate stable rental revenue and returns and provide capital-appreciation potentials to the Group.

On 27 June 2014, the Group entered into a placing agreement with a placing agent for issuance of convertible bonds in the aggregate principal amount of HK$30,000,000, with the initial conversion price of HK$0.10 per conversion share (subject to adjustments) for the bondholders. Of the net proceeds of approximately HK$28,610,000, 61% will be applied to the acquisition for a 51% interest of a company possessing the above-mentioned property, and the remaining 39% as general working capital of the Group.

In view of the encouraging momentum of Hong Kong economy ahead, it is expected that the number of infrastructure and real estate projects will continue to increase. The Group will maintain its policy in stringent cost control and operation streamlining, to optimise efficiency and recognise better financial results. Apart from the existing business, the Group will continue to seek investment opportunities in securities of both listed or non-listed companies as well as identify potential business and investment opportunities to maximise shareholders' interest.

Continuing to assume a leading role in the scaffolding industry, the Group believes that it will be able to capture the upcoming opportunities leveraging its professional and extensive experience, and deliver sustainable growth.

Project Portfolio of Scaffolding Division (As of 30 April 2014)

Hong Kong

- Century Gateway
- The Wings
- Deauville
- Yoho Town, Phase 3
- The Golden Gate
- Park Ivy
- AnaCapri (Park Island – Phase 6)
- Mass Transit Railway Nam Cheong Station
- West Kowloon Terminus Station (North), Express Rail Link
- Midfield Concourse of Hong Kong International Airport
- Ocean Park Station and Wong Chuk Hang Station of MTRC
- Science Park (Phase 3)
- Extension Block to Salesian Seminary at 18 Chai Wan Road
- Chinese People's Liberation Army Force Hong Kong Building
- St. Paul's Hospital Redevelopment
- Commercial Building Development at 16 Hart Avenue, Tsim Sha Tsui
- Commercial Building Development at 31-37 Des Voeux Road Central
- Commercial Building Development at 50 Wong Chuk Hang Road
- Residential Development at Sa Po North, Yuen Long
- Residential Development at Tung Chung, Area 36
- Residential Development at TMTL 422, Siu Lam
- Residential Development at TMTL 449, Area 58, Tsing Fat Lane, Siu Lam
- Residential Development at 3-5 Ede Road, Kowloon Tong
- Residential Development at 56-66 Nga Tsin Long Road, Kowloon City
- Residential Development at 8 Mount Nicholson Road
- Residential Development at 1 Serenity Path, Silverstrand, Sai Kung
- Urban Renewal Authority Residential Development at Third Street, Sai Ying Pun
- Public Housing Development at Anderson Road, Site D
- Public Housing Development at Lei Yue Mun, Phase 3
- Development at F.S.S.T.L. 177, Sha Tau Kok Road, Fanling
- Public Rental Housing Development at Kwai Shing Circuit
- Composite Building at N.K.I.L. 6494, Lai Chi Kok Road, Sham Shui Po
- Refurbishment of Nan Fung Tower, Central
- Refurbishment of Royal Plaza Hotel
- Refurbishment of 127 Repulse Bay Road, Repulse Bay
- Refurbishment of Wah Luen Industrial Centre at Wong Chuk Yeung Street, Fo Tan
- Refurbishment of Central Government Office, Lower Albert Road, Central
- Refurbishment of Fashion Plaza in Witty Commercial Building, Mong Kok
- Refurbishment of Millennium Trade Centre, Kwai Chung

FINANCIAL REVIEW AND ANALYSIS

During the year under review, the Group recorded a turnover of approximately HK$111,961,000, representing a decrease of approximately 11% as compared with that of the preceding year. The Company recorded a net loss attributable to its equity holders of approximately HK$61,275,000 during the year ended 30 April 2014. The decrease in turnover and increase in net loss were mainly due to allowances made for impairment of trade and other receivables, write-off of amounts due from customers for contract work and impairment of goodwill of the Group totalling HK$59,482,000 during the year.

Gross profit of the Group decreased by approximately 49% as compared with last year whilst gross profit margin decreased to approximately 9% during the year. Gross profit margin of the Hong Kong scaffolding division decreased due to the current keen competition.

During the year under view, operating and administrative expenses (excluding allowance for bad and doubtful debts and write-off of amounts due from customers for contract work totalling approximately HK$56,344,000 (2013: approximately HK$13,452,000)) decreased by approximately 3% as compared to the preceding year. Management of the Group continues to adopt a policy of vigilant cost monitoring and operation streamlining in an effort to minimise cost and optimise efficiency.

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

During the year under review, the Group financed its operations by banking facilities and finance leases provided by banks and finance companies. As at 30 April 2014, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were approximately HK$99,623,000 (2013: approximately HK$134,234,000), approximately HK$105,028,000 (2013: approximately HK$139,363,000), approximately HK$15,628,000 (2013: approximately HK$61,577,000) and approximately HK$183,286,000 (2013: approximately HK$208,892,000) respectively.

As at 30 April 2014, the Group's consolidated bank overdrafts and bank loans were approximately HK$11,772,000 (2013: approximately HK$13,968,000) and approximately HK$41,205,000 (2013: approximately HK$35,237,000) respectively. As at 30 April 2014, obligations under finance leases amounted to approximately HK$1,021,000 (2013: approximately HK$1,631,000), of which HK$577,000 is due for repayment next year and approximately HK$444,000 is due for repayment after next year.

As at 30 April 2014, the Group's bank and cash balances amounted to approximately HK$7,405,000 (2013: approximately HK$7,221,000). As at 30 April 2014, the Group's gearing ratio (total borrowings and obligations under finance leases divided by shareholders' fund) was approximately 64% (2013: approximately 42%).

Most of the Group's bank and cash balances, bank borrowings and obligations under finance leases are denominated in Hong Kong dollars. Most of the bank borrowings bear interest at market rates and are repayable by instalments over a period of 3 months to 9 years. Obligations under finance leases have an average lease term of 4 years. All such leases have interest rates fixed at the contract date and fixed repayment bases.

The Directors believe that the Group is in a healthy financial position and has sufficient resources to discharge its debts and to satisfy its commitments and working capital requirements.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 April 2014 (year ended 30 April 2013: None).

SEGMENT INFORMATION

Operating segments

The Group is currently organised into 3 operating segments – (i) scaffolding and fitting out services for construction and buildings work, (ii) management contracting services for construction and buildings work and (iii) gondolas, parapet railings and access equipment installation and maintenance services. Details of results by business segments are shown in note 3 above.

Geographical segments

The customers of the three divisions of the Group are situated in Hong Kong and Macau. Note 3 above provides analysis of the turnover, carrying amounts of segment assets and capital expenditure by geographical markets.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Directors do not have any future plans for material investments or capital assets.

PLEDGE ON ASSETS

At the end of the reporting period, the Group has pledged the following assets as against general banking facilities granted to the Group:

	2014	2013
	HK$'000	*HK$'000*
Investment properties	**36,370**	35,750
Leasehold land and buildings	**7,588**	7,817
Trade receivables	**20,612**	22,842
Retention monies receivables	**2,178**	2,498
Bank deposits	**680**	680

FOREIGN EXCHANGE EXPOSURE

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars. Wui Loong Scaffolding Works Company Limited, one of the Group's subsidiaries, entered into a foreign currency forward contract with DBS Bank (Hong Kong) Limited on 27 March 2013. This foreign currency forward contract is a derivative and classified as a financial asset at fair value through profit or loss. The Directors consider that there is potential foreign exchange exposure of the Group in regard of this foreign currency forward contract.

CONTINGENT LIABILITIES

At 30 April 2014, the Group provided counter indemnities amounting to HK$646,600 (2013: HK$646,600) to banks for surety bonds issued by the banks in respect of construction contracts.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2014, the total number of full-time employees of the Group was 125 (2013: 137). The total remuneration paid to employees (including directors' emoluments) amounted to HK$35,771,000 in 2014 (2013: HK$39,475,000). Employees are remunerated according to their performance and working experience. In addition to basic salaries and participation in the mandatory provident fund scheme, staff benefits include performance bonus, medical scheme, share options and training.

REVIEW OF DRAFT CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the draft consolidated financial statements of the Group for the year ended 30 April 2014.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2014 have been agreed by the Group's auditor, Moore Stephens, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Moore Stephens in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Stephens on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 30 April 2014, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE

During the year ended 30 April 2014, the Company has applied the principles of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules. A Corporate Governance Report will be despatched with the annual report of the Company.

In full compliance with rule 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three independent non-executive directors and at least one of them has the appropriate professional qualifications of accounting or related financial management experties.

For the year ended 30 April 2014, the Company has complied with Code Provision A.5.6 in the revised Corporate Governance Code and Corporate Governance Report.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board has adopted a board diversity policy with effect from 1 September 2013. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

AUDIT COMMITTEE

The Company established an audit committee on 9 November 2001 with written terms of reference that clearly establish the audit committee's authority and duties. The audit committee currently comprises 3 independent non-executive directors of the Company, Mr. Lam Kwok Wing, Mr. Yeung Po Chin and Dr. Fung Ka Shuen.

The primary duties of the audit committee are to review the Company's annual report and accounts, half-year report and quarterly reports and provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

Four audit committee meetings were held since 1 May 2013 up to the date of this announcement.

By order of the Board
WLS HOLDINGS LIMITED
So Yu Shing
Chairman

Hong Kong, 24 July 2014

As at the date of this announcement, the Board comprises Dr. So Yu Shing (Chairman and Executive Director), Mr. Kong Kam Wang (Executive Director and Chief Executive Officer), Ms. Lai Yuen Mei Rebecca (Executive Director), Mr. Woo Siu Lun (Executive Director), Mr. So Wang Chun, Edmond (Executive Director), Mr. Ng Tang (Executive Director), Mr. Lam Kwok Wing (Independent Non-executive Director), Mr. Yeung Po Chin (Independent Non-executive Director) and Dr. Fung Ka Shuen (Independent Non-executive Director).

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at www.wls.com.hk.