WING LEE HOLDINGS LIMITED
永利控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 876)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

The Group has successfully spun-off its properties investment business in March 2013, by way of introduction, through a distribution in specie to the Company's shareholders. Wing Lee Property was listed on the Main Board of the Stock Exchange on 19 March 2013. The Property Group is classified as a discontinued operation of the Group as at 31 December 2012. The assets and liabilities of the Property Group were classified as held for distribution to owners as at 31 December 2012, and the consolidated statement of comprehensive income for the year ended 31 December 2011 has been restated.

The board (the "Board") of directors (the "Directors") of Wing Lee Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012 together with the comparative figures for the corresponding year ended 31 December 2011.

* *for identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTES	2012 HK$'000	2011 HK$'000 (Restated)
Continuing operation			
Turnover	2	**368,772**	361,318
Cost of goods sold		**(248,388)**	(250,059)
Gross profit		**120,384**	111,259
Other income	3	**6,313**	1,768
Selling and distribution costs		**(9,992)**	(5,529)
Administrative expenses		**(72,544)**	(67,775)
Other expenses		**(4,752)**	(6,267)
Changes in fair value of investment properties		**467**	343
Finance costs	4	**(530)**	(344)
Profit before taxation		**39,346**	33,455
Taxation	5	**(15,482)**	(5,803)
Profit for the year from continuing operation		**23,864**	27,652
Discontinued operation	6		
Profit for the year from discontinued operation		**288,270**	139,526
Profit for the year		**312,134**	167,178
Other comprehensive income			
Exchange differences arising on translation of foreign operation		**2,228**	16,925
Total comprehensive income for the year		**314,362**	184,103

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*
FOR THE YEAR ENDED 31 DECEMBER 2012

	NOTES	**2012** ***HK$'000***	2011 *HK$'000* (Restated)
Profit for the year attributable to owners of the Company:			
– from continuing operation		**24,538**	28,390
– from discontinued operation		**288,270**	139,526
		312,808	167,916
Profit for the year attributable to non-controlling interests:			
– from continuing operation		**(674)**	(738)
– from discontinued operation		**–**	–
		(674)	(738)
Profit for the year		**312,134**	167,178
Total comprehensive income attributable to:			
Owners of the Company		**314,984**	184,628
Non-controlling interests		**(622)**	(525)
		314,362	184,103
Earnings per share	8		
From continuing and discontinued operations			
– Basic		**97.59 HK cents**	49.09 HK cents
From continuing operation			
– Basic		**7.66 HK cents**	8.30 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2012

	NOTES	**2012** **HK$'000**	2011 HK$'000
Non-current assets			
Investment properties		**37,491**	609,679
Property, plant and equipment		**201,369**	212,236
Prepaid lease payments		**13,859**	14,037
Deposits paid for acquisition of property, plant and equipment		**–**	3,201
Deposits paid for acquisition of investment properties		**–**	2,562
		252,719	841,715
Current assets			
Inventories		**39,356**	49,476
Trade and other receivables	9	**57,131**	79,091
Taxation recoverable		**6,445**	–
Fixed deposits		**5,159**	62,022
Bank balances and cash		**66,254**	56,063
		174,345	246,652
Assets classified as held for distribution to owners	6	**953,196**	–
		1,127,541	246,652
Current liabilities			
Trade and other payables	10	**55,224**	63,554
Rental deposits received		**346**	5,371
Taxation payable		**14,817**	10,463
Bank loans – due within one year	11	**30,000**	63,145
		100,387	142,533
Liabilities associated with assets classified as held for distribution to owners	6	**142,105**	–
		242,492	142,533
Net current assets		**885,049**	104,119
Total assets less current liabilities		**1,137,768**	945,834
Non-current liabilities			
Bank loans – due after one year	11	**–**	99,265
Deferred tax liabilities		**14,091**	18,022
		14,091	117,287
		1,123,677	828,547
Capital and reserves			
Share capital	12	**160,263**	160,263
Reserves		**964,602**	668,850
Equity attributable to owners of the Company		**1,124,865**	829,113
Non-controlling interests		**(1,188)**	(566)
		1,123,677	828,547

NOTES

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following Hong Kong Accounting Standards ("HKASs") and HKFRSs, amendments and interpretations ("INTs") (hereinafter collectively referred to as the "new and revised HKFRSs") that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvement to HKFRSs 2009 - 2011 cycle[1]
Amendments to HKFRS 7	Disclosures - Offsetting financial assets and financial liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interest in other entities: Transition guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[4]
HKFRS 9	Financial instruments[2]
HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
HKAS 19 (as revised in 2011)	Employee benefits[1]
HKAS 27 (as revised in 2011)	Separate financial statements[1]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]
Amendments to HKAS 1	Presentation of items of other comprehensive income[3]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[4]
HK(IFRIC) - INT 20	Stripping costs in the production phase of a surface mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2015.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2014.

2. SEGMENT INFORMATION

The Group's operations are organised into two operating divisions namely manufacture of and trading in electronic components and properties investment. These divisions are based on the information reported to the chief operating decision maker.

The executive directors of the Company (the "Executive Directors") have been identified as the chief operating decision maker. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources.

Manufacture of and trading in electronic components	–	manufacture of and trading in electronic components in Mainland China (the "PRC") and Hong Kong (continuing operation)
Properties investment	–	investments in properties in the PRC and Hong Kong (discontinued operation)

Wing Lee Property Investments Limited ("Wing Lee Property") and its subsidiaries (collectively referred to as the "Property Group") engages in properties investment business, principally the leasing of completed commercial and residential properties in Hong Kong and the PRC. After the spin-off and separate listing of the Property Group on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") which took place on 19 March 2013, the Group will no longer carry on the business of properties investment. The properties investment division of the Group's operations is classified as a discontinued operation of the Group for the year ended 31 December 2012.

The following is an analysis of the Group's revenue and results by operating segment:

Segment revenues and results

	Continuing operation- Manufacture of and trading in electronic components *HK$'000*	**Discontinued operation- Properties investment** *HK$'000*
For the year ended 31 December 2012		
TURNOVER		
External sales	**368,772**	**21,577**
Inter-segment sales	**–**	**2,636**
Eliminations	**–**	**(2,636)**
	368,772	**21,577**
RESULTS		
Segment results	**37,592**	**298,461**
Unallocated income	**6,313**	**4,896**
Unallocated expenses	**(4,029)**	**(11,307)**
Finance costs	**(530)**	**(2,006)**
Profit before taxation	**39,346**	**290,044**
For the year ended 31 December 2011		
TURNOVER		
External sales	361,318	18,568
Inter-segment sales	–	1,860
Eliminations	–	(1,860)
	361,318	18,568
RESULTS		
Segment results	34,130	143,732
Unallocated income	1,768	62
Unallocated expenses	(2,099)	–
Finance costs	(344)	(1,294)
Profit before taxation	33,455	142,500

Geographical information

The Group's operations are mainly situated in Hong Kong and the PRC. The following table provides an analysis of the Group's turnover by the location of customers and the Group's non-current assets by geographical location of assets relating to the continuing operation:

	Turnover from external customers		Non-current assets	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(Note)
Hong Kong	**171,569**	113,978	**4,297**	872
PRC	**46,329**	68,149	**248,422**	251,818
Malaysia	**48,690**	62,509	**N/A**	N/A
Europe	**32,124**	35,134	**N/A**	N/A
Singapore	**24,278**	24,472	**N/A**	N/A
Others	**45,782**	57,076	**N/A**	N/A
	368,772	361,318	**252,719**	252,690

Note: At 31 December 2011, non-current assets excluded those relating to the discontinued operation.

3. OTHER INCOME

	Continuing operation		Discontinued operation	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank deposits	**280**	222	**654**	62
Gain on disposal of property, plant and equipment	**1,124**	1,056	**4,124**	–
Net exchange gain	**2,656**	–	**–**	–
Others	**2,253**	490	**118**	–
	6,313	1,768	**4,896**	62

4. FINANCE COSTS

	Continuing operation		Discontinued operation	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank borrowings wholly repayable:				
– within five years	**530**	344	**1,488**	852
– over five years	**–**	–	**518**	442
	530	344	**2,006**	1,294

5. TAXATION

	Continuing operation		Discontinued operation	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:				
Hong Kong	**2,713**	4,077	**1,568**	1,351
PRC Enterprise Income Tax	**3,955**	1,671	**36**	30
	6,668	5,748	**1,604**	1,381
Under(over)provision in prior years:				
Hong Kong	**935**	63	**(71)**	–
PRC Enterprise Income Tax	**7,896**	340	**–**	–
	8,831	403	**(71)**	–
Deferred tax:				
Current year	**(17)**	(348)	**241**	1,593
	15,482	5,803	**1,774**	2,974

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The Hong Kong Inland Revenue Department ("IRD") is conducting a tax audit on the Group for the years of assessment dating back to 2004/05. In connection with the tax audit, the IRD has issued additional assessments to one of the Company's subsidiaries for the years from 2004/05 to 2006/07 relating to the pricing policy of the intergroup transactions of the trading and manufacturing operations for these years. During the year ended 31 December 2012, the Group has made additional provision in respect of the tax audit.

6. DISCONTINUED OPERATION/DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION TO OWNERS

In 2012, the Group decided and committed to a plan to distribute the Group's business conducted by the Property Group (which principally carries out the Group's properties investment business in Hong Kong and the PRC) to its owners and initiated the process to distribute such business. As at 31 December 2012, the Directors considered that it was highly probable that such properties investment business would be distributed to the Company's shareholders within the next twelve months. As a result, the Property Group was classified as disposal group held for distribution as at that date and has been presented as a discontinued operation. Accordingly, the consolidated statement of comprehensive income for the year ended 31 December 2011 has been restated to present such business as a discontinued operation and the assets and liabilities attributable to the Property Group have been classified as disposal group held for distribution to owners and are presented separately in the consolidated statement of financial position as at 31 December 2012.

Pursuant to a resolution of the Board passed on 19 February 2013, it was proposed that the Group spin off its properties investment business through the separate listing of the Property Group on the Stock Exchange by way of introduction, through a special dividend distribution satisfied by the distribution in specie of approximately 83.0% of the issued share capital of Wing Lee Property to the Company's shareholders (the "Spin-Off Exercise"), the details of which are set out in the listing document of Wing Lee Property dated 28 February 2013 (the "Listing Document"). The Directors considered that the Spin-Off Exercise was in substance distributing the Property Group to the Company's shareholders. The Spin-Off Exercise was subsequently completed on 19 March 2013.

The profit for the year from the discontinued operation is analysed as follows:

	Notes	**2012** ***HK$'000***	2011 *HK$'000*
Turnover	2	**21,577**	18,568
Direct operating expenses		**(1,308)**	(3,025)
Other income	3	**4,896**	62
Net changes in fair value of investment properties		**292,134**	137,264
Administrative expenses		**(14,065)**	(9,075)
Other expenses		**(11,184)**	–
Finance costs	4	**(2,006)**	(1,294)
Profit before taxation		**290,044**	142,500
Taxation	5	**(1,774)**	(2,974)
Profit for the year		**288,270**	139,526

At 31 December 2012, the carrying amounts of the assets and liabilities of the Property Group under the discontinued operation are as follows:

	HK$'000
Investment properties	**884,154**
Property, plant and equipment	**6,928**
Rental and other receivables	**772**
Fixed deposits	**30,053**
Bank balances and cash	**31,289**
Assets classified as held for distribution to owners	**953,196**
Other payables and rental deposits received	**11,060**
Taxation payable	**455**
Bank loans	**126,234**
Deferred tax liabilities	**4,356**
Liabilities associated with assets classified as held for distribution to owners	**142,105**

7. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year		
2012 interim dividend of 2.0 HK cents per share (2011: 2.0 HK cents)	**6,411**	6,908
2011 final dividend of 4.0 HK cents per share (2010: 2.0 HK cents)	**12,821**	7,027
	19,232	13,935

On 19 February 2013, a conditional special interim dividend was declared by the Board to be satisfied through a distribution in specie by the Company of approximately 83.0% of the issued share capital of Wing Lee Property after the capitalisation of the amounts due from the Property Group to the Retained Group (being the Group excluding the Property Group), subject to the spin-off condition, that is the listing sub-committee of the board of the Stock Exchange granting the listing of, and permission to deal in, the shares of Wing Lee Property on the Stock Exchange. The listing approval was obtained on 18 March 2013, and on 19 March 2013, approximately 83.0% of the shares of Wing Lee Property were distributed to the owners of the Company pursuant to the Distribution (as defined in note 13) and the shares of Wing Lee Property were listed on the Stock Exchange.

The Board does not recommend a final dividend for the year ended 31 December 2012 (2011: Final dividend of 4.0 HK cents per share).

8. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Earnings		
Earnings (profit for the year attributable to owners of the Company) for the purpose of basic earnings per share	**312,808**	167,916

Number of shares

	2012	2011
Weighted average number of ordinary shares for the purpose of basic earnings per share	**320,525,879**	342,056,751

From continuing operation

The calculation of the basic earnings per share from the continuing operation attributable to the owners of the Company is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Profit for the year attributable to the owners of the Company	**312,808**	167,916
Profit for the year from the discontinued operation attributable to the owners of the Company	**(288,270)**	(139,526)
Earnings for the purpose of basic earnings per share from the continuing operation	**24,538**	28,390

The denominators used are the same as those above for basic earnings per share.

From discontinued operation

Basic earnings per share for the discontinued operation is 89.93 HK cents per share (2011: 40.79 HK cents per share) based on the profit for the year from the discontinued operation of HK$288,270,000 (2011: HK$139,526,000) and the denominator set out above for basic earnings per share.

No diluted earnings per share is presented as there were no potential dilutive shares in issue for both years.

9. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**50,281**	66,198
Other receivables	**6,850**	12,893
	57,131	79,091

Payment terms with customers are mainly on credit. Invoices are normally due for payment within 30 to 90 days after issuance, except for certain well-established customers, where the terms are extended to 120 days. The following is an aged analysis of trade receivables presented based on the invoice date (also approximates to revenue recognition date) at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
Age		
0 - 90 days	**49,841**	61,261
91 - 180 days	**440**	4,067
Over 180 days	**–**	870
	50,281	66,198

10. TRADE AND OTHER PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**5,222**	13,559
Payable for acquisition of property, plant and equipment	**7,824**	9,825
Accrued expenses	**21,821**	15,898
Other tax payables	**14,895**	22,487
Other payables	**5,462**	1,785
	55,224	63,554

The following is an aged analysis of the Group's trade payables presented based on the invoice date as at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
Age		
0 - 90 days	**5,222**	12,447
91 - 180 days	**–**	1,112
	5,222	13,559

The average credit period on purchases of goods is 90 days.

11. BANK LOANS

	2012	2011
	HK$'000	*HK$'000*
The bank loans are repayable:*		
Within one year	**30,000**	45,560
More than one year, but not exceeding two years	**–**	13,162
More than two years but not more than five years	**–**	40,974
More than five years	**–**	45,129
	30,000	144,825
Carrying amounts of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**–**	17,585
	30,000	162,410
Less: Amounts due within one year shown under current liabilities	**(30,000)**	(63,145)
Amounts shown under non-current liabilities	**–**	99,265

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

12. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.50 each		
Authorised:		
At 1 January 2011, 31 December 2011 and 31 December 2012	400,000,000	200,000
Issued and fully paid:		
At 1 January 2011	353,383,879	176,692
Share repurchased and cancelled	(32,858,000)	(16,429)
At 31 December 2011 and 31 December 2012	320,525,879	160,263

13. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequent to 31 December 2012:

(a) On 19 February 2013, a conditional special interim dividend was declared by the Board to be satisfied through a distribution in specie by the Company of approximately 83.0% of the issued share capital of Wing Lee Property after the capitalisation of the amounts due from the Property Group to the Retained Group (being the Group excluding the Property Group), subject to the spin-off condition, that is the listing sub-committee of the board of the Stock Exchange granting the listing of, and permission to deal in, the shares of Wing Lee Property on the Stock Exchange (the "Distribution").

(b) On 28 February 2013, in connection with the Spin-Off Exercise of the Property Group on the Main Board of the Stock Exchange, Wing Lee Property issued the Listing Document.

(c) On 18 March 2013, the Stock Exchange granted the listing of, and permission to deal in, the shares of Wing Lee Property on the Main Board of the Stock Exchange, after which the spin-off became unconditional. Pursuant to the Capitalisation Issue (as defined in the Listing Document), Wing Lee Property capitalised the amounts due to the Retained Group in an aggregate amount of HK$326,183,000 and allotted and issued 383,175,748 ordinary shares of Wing Lee Property, credited as fully paid, to the Company. On 19 March 2013, approximately 83.0% of the shares of Wing Lee Property were distributed to the owners of the Company pursuant to the Distribution and the shares of Wing Lee Property were listed on the Stock Exchange. At the date of this result announcement, the Directors are still in process of quantifying the financial impact of the Spin-Off Exercise to the Group.

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of Wing Lee Holdings Limited (the "Company"), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012.

For the year, the Group achieved a revenue of approximately HK$369 million (2011: approximately HK$361 million (restated)), representing an increase of 2% as compared with the same period in 2011. Profit for the year of the Group was approximately HK$312 million (2011: approximately HK$167 million), representing an increase of 87% as compared with the same period in 2011. Earnings per share were 97.59 HK cents (2011: 49.09 HK cents).

BUSINESS REVIEW

Electronic Manufacturing Services Business (the "EMS Business")

Although the US economy has shown gradual recovery during the year ended 31 December 2012, in 2012 both the U.S. and European economy were still very much in a state of economic doldrums. Following the substantial interruption in the supply chain of electronic consumer products in the world due to the earthquake and tsunami in Japan and the severe floods in Thailand in 2011, decrease in orders from Europe and Japan continued through 2012, affecting the overall sales of the electronic component manufacturing sector.

By exerting significant effort in developing the Korean market in 2011 and 2012, the first-tier customers there have responded well to the production capability and deliverables of the Group. The Group attained remarkable success in obtaining a considerable share of the electronics component manufacturing sector in the Korean market. The Group's immense efforts put into increasing our market share in Korea was reflected in the increase in orders from Korea which accounted for around 35% of the total number of orders in 2012. This increase offset the impact of the reduced orders from Europe and Japan.

Property Investment Business (the "Property Business")

From 2004 to the present, the Company built up a second core business in property investments. With a strong balance sheet and good property portfolio, the property portfolio, as appraised by an independent valuer reached a fair value of approximately HK$884 million as at 31 December 2012. During the year, the Company prepared for the spin-off of the Property Group and Wing Lee Property was successfully listed on the Stock Exchange on 19 March 2013.

PROSPECTS

With the spin-off of the property investment business of the Company now complete, the Group will look forward to focusing on and furthering its manufacturing and trading business.

Our European customers were mostly affected by the economic downturn and during the year ended 31 December 2012, orders from this group declined by around 50%. In addition, our Japanese customers were more detrimentally affected due to a very strong Yen for most part of the year, affecting the sales of completed electrical goods exported from Japan. Although the Japanese currency started to depreciate towards the end of 2012, we would not expect to see the impact of this decline until well into 2013. The most promising market in terms of orders in 2012 was from Korean customers, wherein the Group has secured its market share to first-tier customers there. As the Korean market has become one of the major markets for the Group, the Group is confident in its prospects and will continue to place more efforts into the Korean market.

Looking ahead for the financial year of 2013, we shall be cautiously optimistic about the manufacturing and trading business as we believe that our Korean customers will increasingly patronise us because of our good track record; and we also expect that orders from our major Japanese customers would also increase as the Yen becomes weaker. Such trends should be able to offset the decline in European orders. The Group has sufficient cash reserves and a low borrowing rate. We will seek to lay a solid foundation for the future through expanding customer and product diversity.

MANAGEMENT DISCUSSION AND ANALYSIS

Core Business

Manufacture of and Trading in Electronic Components

The Group engaged in the design, manufacture of and trading in electronic components, mainly jacks and connectors, all of which are basic components used in electronic, communication and computer products. The major customer groups who account for the larger proportion in the Group's products sales are reputable brand named owners from Korea, Japan and Europe.

For the year, the Group achieved a revenue of approximately HK$369 million (2011: approximately HK$361 million (restated)), representing an increase of approximately 2% as compared with the same period in 2011. Profit before taxation for the year of the Group from the EMS Business was approximately HK$39 million (2011: approximately HK$33 million), representing an increase of approximately 18% as compared with the same period in 2011. Earnings per share from the EMS Business were 7.66 HK cents (2011: 8.30 HK cents).

Despite the increasing strength of the Renminbi and increasing wages and peripheral costs in the factories owned and operated by the Group, the Group has maintained a stable gross profit margin, through operating with caution and stringent cost control.

Properties Investment

This previously second core business of the Group is now a discontinued operation with the successful spin-off and separate listing of Wing Lee Property on the Main Board of the Stock Exchange on 19 March 2013.

Liquidity and Capital Resources

As at 31 December 2012, the net current assets of the Group amounted to approximately HK$885 million (31 December 2011: approximately HK$104 million). The current and quick ratio was 4.6 and 4.5 (31 December 2011: 1.7 and 1.4) respectively.

As at 31 December 2012, the net current assets of the EMS Business amounted to approximately HK$74 million. The current and quick ratio was 1.7 and 1.3 respectively.

Moreover, as at 31 December 2012, the bank deposits and cash of the Group were approximately HK$132 million, represented by approximately HK$71 million from the EMS Business and approximately HK$61 million from the Property Business (31 December 2011: HK$118 million), which included fixed deposits of, in the aggregate amount of the EMS Business and Property Business, approximately HK$35 million (31 December 2011: approximately HK$62 million).

The Group continued to adopt a prudent financial management policy, which heavily relies on cash generated from internal resources. The gearing ratio, calculated by dividing total bank borrowings by equity attributable to owners of the Company was 13.9% (31 December 2011: 19.6%).

As at 31 December 2012, the gearing ratio of the EMS Business, calculated by dividing total bank borrowings by net assets of the EMS Business, was 4.7%. The bank borrowings of the EMS Business were approximately HK$30 million, which were all repayable within one year. The loans were principally used to finance the sales operation of the EMS Business. Throughout the year, the EMS Business maintained a net cash position, and as at 31 December 2012, there was net cash of approximately HK$41 million. There were approximately HK$15 million unutilised banking facilities available for the EMS Business as at 31 December 2012.

As at 31 December 2012, the carrying amount of bank borrowings of the Property Business was approximately HK$126 million and all of the bank borrowings were secured by mortgages over the Property Business's investment properties with carrying amounts of approximately HK$467 million. The Property Business had no available unutilised banking facilities as at 31 December 2012. Of the total bank borrowings of the Property Business at 31 December 2012, approximately HK$32 million was repayable within one year and approximately HK$94 million was repayable after one year.

Capital and Reserves

Shareholders' funds rose to approximately HK$1,125 million (31 December 2011: approximately HK$829 million). Subsequent to 31 December 2012, the net assets of the Group will be significantly decreased as the net assets of the Property Group was spun-off from the Group in March 2013. As at 31 December 2012, the net assets of the Property Group was approximately HK$811 million. The extent of decrease is yet to be determined as the Group retains 17% interest in the Property Group immediately after the spin-off.

During 2011, the Company purchased its own ordinary shares of HK$0.5 each through the Stock Exchange. It paid total considerations of approximately HK$28.5 million for the purchase of 32,858,000 shares. There was no re-purchase of its own ordinary shares in 2012.

Capital Expenditure

During the year, the EMS Business has invested approximately HK$26 million (2011: approximately HK$20 million), mainly on six sets of high quality plastic injection machines and 61 sets of automatic machines to further improve the quality and production efficiency of our products. As at 31 December 2012, there was no capital expenditure commitments and authorisations.

Treasury Policy

The Group's sales were principally denominated in US dollars and Hong Kong dollars while purchases were transacted mainly in Renminbi and Hong Kong dollars. The fluctuation of Renminbi in 2012 did not materially affect the costs and operations of the Group for the year and the Directors do not foresee significant risk in exchange rate fluctuation. Currently, the Group has not entered into any financial instruments for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposures and interest rate exposures, and consider hedging against the exposures should the need arise.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2012 and 2011.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2012, the Group employed a total of approximately 1,800 employees (31 December 2011: approximately 1,900 employees) in Hong Kong and the PRC. The total salaries and wages for the year ended 31 December 2012 amounted to approximately HK$94 million (2011: approximately HK$84 million), of which approximately HK$86 million (2011: approximately HK$79 million) was for employees of the EMS Business. Employees are remunerated based on their performance, experience and prevailing industry practice. The Group's remuneration policies and packages are reviewed by the management on a regular basis. In addition to offering competitive salary packages, the Group also grants discretionary bonuses and share options, if any, to subscribe shares of the Company to qualified employees based on operation conditions and individual performance.

FINAL DIVIDEND

The Board does not recommend a final dividend for the year ended 31 December 2012 (2011: 4.0 HK cents).

CLOSURE OF REGISTER OF MEMBERS

To ascertain the shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Thursday, 13 June 2013 to Tuesday, 18 June 2013, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers of shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11 June 2013.

MISCELLANEOUS

Reference is made to the announcement (the "Announcement") of the Company dated 19 March 2013 regarding, among other things, the redesignation of Ms. Wong Siu Wah as a non-executive director of the Company. This announcement supplements the information disclosed in the Announcement.

The Board confirms that, save as disclosed in the Announcement and her being an executive director of Wing Lee Property, the shares of which were listed on the Stock Exchange on 19 March 2013, (i) Ms. Wong Siu Wah has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, and (ii) Ms. Wong Siu Wah has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2012.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors of the Company, all the Directors confirmed that they have complied with the required standards of dealings as set out in the Model Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2012, the Company has complied with the provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012), (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for the following deviations:

Code Provision A.2.1

The code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual so that power is not concentrated in one individual.

Mr. Chow Tak Hung currently holds the offices of Chairman and Chief Executive Officer of the Company. Mr. Chow is the founder of the Group and has extensive experience in the electronics industry. He has the appropriate standing, management skills and business acumen that are essential prerequisites for assuming the two roles. The Board believes that vesting both roles in Mr. Chow provides the Group with strong and consistent leadership and, at the same time, allows for the continuous effective operations and development of the Group's business. As such, the structure is beneficial to the Group and the shareholders as a whole.

As other Board members are keeping abreast of the conduct, business activities and development of the Group and as the day-to-day business operations of the Group are delegated to the management, the Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority.

Code Provision A.4.2

The code provision A.4.2 of the CG Code requires that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The bye-laws of the Company (the "Bye-laws") provides that any new director appointed by the Board shall be subject to election by shareholders of the Company at the Company's next following annual general meeting, instead of the first general meeting, after appointment. The reason for keeping such Bye-laws provision is to ensure the Company's compliance with paragraph 4(2) of Appendix 3 to the Listing Rules and also to facilitate the Company's process of re-election of directors since it enables the Company and the shareholders to consider the re-election of those new directors appointed by the Board during the year and of those directors retiring by rotation at the same general meeting.

The Bye-laws has not stated that directors should be subject to retirement by rotation at least once every three years and besides, it provides that the Chairman of the Board and/or the Managing Director shall not be subject to retirement by rotation. Notwithstanding the foregoing Bye-laws provisions, in practice, Ms. Chau Choi Fa, the Managing Director of the Company, has voluntarily submitted herself for re-election by shareholders before and will continue to do so; and Mr. Chow Tak Hung, the Chairman of the Board, will also voluntarily submit himself for re-election by shareholders in the Company's annual general meeting, such that all directors of the Company are subject to retirement by rotation at least once every three years.

The Board will consider in due course whether amendments to the Bye-laws are necessary.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2012, including the accounting principles and accounting standards adopted, continuing connected transactions and discussed matters relating to audit, internal controls and financial reporting.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2012, as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://www.wingleeholdings.com) and the Stock Exchange's website (http://www.hkexnews.hk). The 2012 annual report will be dispatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all our beloved shareholders, respectable customers, dedicated vendors and professional bankers for their support over the year and look forward to a closer cooperation in coming years.

I would also like to personally thank all management and staff for their hard work and commitment to the Group and cheer them as we tackle future challenges successfully.

On behalf of the Board
Wing Lee Holdings Limited
Chow Tak Hung
Chairman

Hong Kong, 28 March 2013

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Chow Tak Hung, Ms. Chow Woon Yin, two non-executive directors, namely Ms. Wong Siu Wah and Ms. Chau Choi Fa and three independent non-executive directors, namely Dr. Lau Yue Sun, Mr. Yip Tai Him and Mr. Lam Kwok Cheong.