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 2013

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 2013 together with the comparative figures for the corresponding year ended 31 December 2012.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Continuing operation			
Turnover	3	**315,985**	368,772
Cost of goods sold		**(237,215)**	(248,388)
Gross profit		**78,770**	120,384
Other income	4	**4,638**	6,313
Selling and distribution costs		**(9,602)**	(9,992)
Administrative expenses		**(81,786)**	(72,544)
Other expenses		**(2,660)**	(4,752)
Impairment loss recognised in respect of property, plant and equipment		**(30,447)**	–
Changes in fair value of investment properties		**(2,080)**	467
Finance costs	5	**(378)**	(530)
Gain on disposal of subsidiaries		**6,664**	–
Share of profit of an associate		**4,667**	–
(Loss) profit before tax		**(32,214)**	39,346
Taxation	6	**(11,789)**	(15,482)
(Loss) profit for the year from continuing operation		**(44,003)**	23,864
Discontinued operation			
Profit for the year from discontinued operation	7	**8,136**	288,270
(Loss) profit for the year		**(35,867)**	312,134

* *for identification purposes only*

	Note	2013 HK$'000	2012 HK$'000
Other comprehensive (expense) income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translating foreign operations			
Exchange differences arising during the year		**12,435**	2,228
Reclassification of exchange differences upon disposal of subsidiaries		**(9,673)**	–
Total comprehensive (expense) income for the year		**(33,105)**	314,362
(Loss) profit for the year attributable to owners of the Company:			
– from continuing operation		**(43,672)**	24,538
– from discontinued operation		**8,136**	288,270
		(35,536)	312,808
Loss for the year attributable to non-controlling interests:			
– from continuing operation		**(331)**	(674)
– from discontinued operation		**–**	–
		(331)	(674)
(Loss) profit for the year		**(35,867)**	312,134
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(32,774)**	314,984
Non-controlling interests		**(331)**	(622)
		(33,105)	314,362
(Loss) earnings per share	9		
From continuing and discontinued operations			
– Basic		**(11.09) HK cents**	97.59 HK cents
From continuing operation			
– Basic		**(13.63) HK cents**	7.66 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**33,276**	37,491
Property, plant and equipment		**146,991**	201,369
Prepaid lease payments		**13,028**	13,859
Interest in an associate		**67,363**	–
Deposits paid for acquisition of property, plant and equipment		**543**	–
		261,201	252,719
Current assets			
Inventories		**44,121**	39,356
Trade and other receivables	10	**65,289**	57,131
Taxation recoverable		**8,924**	6,445
Fixed deposits		**–**	5,159
Bank balances and cash		**72,962**	66,254
		191,296	174,345
Disposal group classified as held for distribution to owners	7	**–**	953,196
		191,296	1,127,541
Current liabilities			
Trade and other payables	11	**66,684**	55,570
Taxation payable		**16,402**	14,817
Bank loans – due within one year	12	**20,000**	30,000
		103,086	100,387
Liabilities associated with disposal group classified as held for distribution to owners	7	**–**	142,105
		103,086	242,492
Net current assets		**88,210**	885,049
Total assets less current liabilities		**349,411**	1,137,768
Non-current liabilities			
Deferred taxation		**13,997**	14,091
		335,414	1,123,677

	Note	2013 HK$'000	2012 HK$'000
Capital and reserves			
Share capital	13	**160,263**	160,263
Reserves		**175,151**	964,602
Equity attributable to owners of the Company		**335,414**	1,124,865
Non-controlling interests		**–**	(1,188)
		335,414	1,123,677

NOTES

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company and ultimate holding company is Bright Asia Holdings Limited, a company which was incorporated in the British Virgin Islands.

In 2012, the Group committed to, and initiated an exercise for the distribution of its properties investment operation. The distribution was through a separate listing of Wing Lee Property Investments Limited ("Wing Lee Property") and its subsidiaries (collectively referred to as the "Property Group") on the Main Board of the Stock Exchange, which principally carried out the Group's properties investment operation in the People's Republic of China (the "PRC") and Hong Kong, by way of introduction, through a special dividend distribution satisfied by distribution in specie of approximately 83.0% of the issued share capital of Wing Lee Property to the Company's shareholders, the details of which are set out in the listing document of Wing Lee Property dated 28 February 2013 (the "Listing Document") (the "Spin-off Exercise"). The Property Group was classified as disposal group held for distribution as at 31 December 2012 and presented as a discontinued operation in the consolidated financial statements for the year ended 31 December 2012. The Spin-off Exercise was completed on 19 March 2013.

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC) - INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated financial statements", HKFRS 11 "Joint arrangements", HKFRS 12 "Disclosure of interests in other entities", HKAS 27 (as revised in 2011) "Separate financial statements" and HKAS 28 (as revised in 2011) "Investments in associates and joint ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) INT – 12 "Consolidation – Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. The application of HKFRS 10 has no material impact on the amounts reported in the consolidated financial statements.

Subsequent to the spin-off listing of Wing Lee Property on 19 March 2013 and at 31 December 2013, the Group has 17.0% ownership interest in Wing Lee Property which gives the Group the same percentage of the voting rights in Wing Lee Property. The directors of the Company made an assessment as at the date of the listing of Wing Lee Property as to whether or not the Group has control over Wing Lee Property in accordance with the new definition of control and the related guidance set out in HKFRS 10. The directors of the Company concluded that the Group does not have control over Wing Lee Property since its separate listing on the Stock Exchange on 19 March 2013, but has significant influence in the Company's capacity in the power to participate in the financial and operating policy decision of Wing Lee Property but is not control or joint control over those policies. The directors of the Company have considered the relative voting rights of the shareholders of Wing Lee Property and are of the opinion that the Company can exercise significant influence and, therefore, Wing Lee Property has been treated as an associate of the Company since its listing and accounted for using equity method of accounting.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

Other than the additional disclosures required by HKFRS 12, the application of HKFRS 12 has no material impact on the amounts recognised in the consolidated financial statements.

HKFRS 13 "Fair value measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively and the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle[2]
HKFRS 9	Financial instruments[3]
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 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]
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.

The directors of the Company anticipate that application of these new or revised HKFRSs will have no material impact on the results and financial position of the Group.

3. 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 the PRC and Hong Kong (continuing operation)
Properties investment	–	investments in properties in the PRC and Hong Kong (discontinued operation)

The Property Group engages in properties investment business, principally the leasing of completed commercial and residential properties in Hong Kong and the PRC. As discussed in note 7, after the spin-off and separate listing of the Property Group on the Stock Exchange on 19 March 2013, the Group no longer carried on the business of properties investment. The properties investment division of the Group was classified as a discontinued operation of the Group for the years ended 31 December 2013 and 2012.

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

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 2013		
TURNOVER		
External sales	**315,985**	**4,948**
Inter-segment sales	**–**	**634**
Eliminations	**–**	**(634)**
	315,985	**4,948**
RESULTS		
Segment results	**(42,022)**	**13,897**
Unallocated income	**4,638**	**86**
Unallocated expenses	**(5,783)**	**(4,956)**
Finance costs	**(378)**	**(400)**
Gain on disposal of subsidiaries	**6,664**	**–**
Share of profit of an associate	**4,667**	**–**
(Loss) profit before tax	**(32,214)**	**8,627**
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 tax	39,346	290,044

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit (suffered) earned by each segment without allocation of central administration costs, other income, finance costs, gain on disposal of subsidiaries and share of profit of an associate. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segments:

	2013	2012
	HK$'000	*HK$'000*
SEGMENT ASSETS		
Manufacture of and trading in electronic components	**375,440**	420,135
Unallocated assets	**77,057**	6,929
	452,497	427,064
Properties investment	**–**	953,196
Consolidated assets	**452,497**	1,380,260
SEGMENT LIABILITIES		
Manufacture of and trading in electronic components	**66,663**	55,165
Unallocated liabilities	**50,420**	59,313
	117,083	114,478
Properties investment	**–**	142,105
Consolidated liabilities	**117,083**	256,583

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain prepayments and bank balances and cash held by the respective head offices from continuing and discontinued operations, interest in an associate and taxation recoverable; and

- all liabilities are allocated to operating segments other than liabilities of the respective head offices of continuing and discontinued operations, deferred taxation, bank loans and taxation payable from both segments.

Other segment information

	Continuing operation – Manufacture of and trading in electronic components *HK$'000*	Discontinued operation – Properties investment *HK$'000*
For the year ended 31 December 2013		
Amounts included in the measure of segment (loss) profit:		
Depreciation of property, plant and equipment	**30,302**	**379**
Amortisation of prepaid lease payments	**356**	**–**
Changes in fair value of investment properties	**2,080**	**(10,976)**
Gain on disposal of property, plant and equipment	**(2,100)**	**–**
Allowance for inventories	**247**	**–**
For the year ended 31 December 2012		
Amounts included in the measure of segment profit:		
Depreciation of property, plant and equipment	28,769	1,794
Amortisation of prepaid lease payments	354	–
Net changes in fair value of investment properties	(467)	(292,134)
Gain on disposal of property, plant and equipment	(1,124)	(4,124)
Reversal of allowance for inventories	(1,090)	–

Geographical information

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

	Turnover from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**161,536**	171,569	**67,847**	4,297
PRC	**34,640**	46,329	**193,354**	248,422
Malaysia	**43,807**	48,690	**N/A**	N/A
Europe	**18,049**	32,124	**N/A**	N/A
Singapore	**27,268**	24,278	**N/A**	N/A
Others	**30,685**	45,782	**N/A**	N/A
	315,985	368,772	**261,201**	252,719

Information about major customers

For the year ended 31 December 2013, one customer from the segment of manufacture of and trading in electronic components contributed HK$110,573,000 (2012: HK$97,995,000) of the total turnover of the Group, which is over 10% of the total turnover of the Group for the year.

4. OTHER INCOME

	Continuing operation		Discontinued operation	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank deposits	**365**	280	**82**	654
Gain on disposal of property, plant and equipment	**2,100**	1,124	**–**	4,124
Bad debts recovered	**10**	–	**–**	–
Net exchange gain	**–**	2,656	**–**	–
Others	**2,163**	2,253	**4**	118
	4,638	6,313	**86**	4,896

5. FINANCE COSTS

	Continuing operation		Discontinued operation	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank borrowings wholly repayable:				
– within five years	**378**	530	**73**	1,488
– over five years	**–**	–	**327**	518
	378	530	**400**	2,006

6. TAXATION

	Continuing operation		Discontinued operation	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:				
Hong Kong	**867**	2,713	**439**	1,568
PRC Enterprise Income Tax	**2,275**	3,955	**8**	36
	3,142	6,668	**447**	1,604
Under(over)provision in prior years:				
Hong Kong	**6,125**	935	**(20)**	(71)
PRC Enterprise Income Tax	**3,032**	7,896	**–**	–
	9,157	8,831	**(20)**	(71)
Deferred tax (credit) charge	**(510)**	(17)	**64**	241
	11,789	15,482	**491**	1,774

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

Under the Law of 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 (the "IRD") has been conducting a tax audit to the Group for the years of assessment back from 2004/05 since 2011. During 2012, the IRD issued additional assessments for the years from 2004/05 to 2006/07 in connection with the pricing policy of its intergroup transactions of the trading and manufacturing operations in these years and the Group made certain provisions in respect of the tax audit accordingly. During 2013, the Group has made additional tax provisions based on its revised proposal to the IRD.

7. 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 properties investment business conducted by the Property Group, which principally carried out the Group's properties investment business in Hong Kong and the PRC, to its owners and initiated process to distribute such business. As at 31 December 2012, the directors of the Company considered that it was highly probably that such 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 presented as a discontinued operation in the consolidated financial statements. Accordingly, the assets and liabilities attributable to Property Group had 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.

On 19 March 2013, the Group spun off its properties investment business through the separate listing of the Property Group on the Stock Exchange by way of introduction, through a special interim dividend distribution satisfied by distribution in specie of approximately 83.0% of the issued share capital of Wing Lee Property to the Company's shareholders (the "Distribution").

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

	Notes	**1.1.2013 to 18.3.2013** *HK$'000*	1.1.2012 to 31.12.2012 *HK$'000*
Turnover	3	**4,948**	21,577
Direct operating expenses		**(337)**	(1,308)
Other income	4	**86**	4,896
Net changes in fair value of investment properties		**10,976**	292,134
Administrative expenses		**(2,653)**	(14,065)
Other expenses		**(3,993)**	(11,184)
Finance costs	5	**(400)**	(2,006)
Profit before taxation		**8,627**	290,044
Taxation	6	**(491)**	(1,774)
Profit for the period/year		**8,136**	288,270

The carrying amounts of the assets and liabilities of the Property Group under the discontinued operation as at 31 December 2012 were 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 taxation	4,356
Liabilities associated with assets classified as held for distribution to owners	142,105

8. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2013 interim dividend of nil HK cents (2012: 2.0 HK cents) per share	**–**	6,411
2012 final dividend of nil HK cents (2011: 4.0 HK cents) per share	**–**	12,821
Special dividend, by way of a distribution in specie of shares of Wing Lee Property (note)	**756,677**	–
	756,677	19,232

Note: On 19 February 2013, a conditional special interim dividend was declared by the board of directors of the Company, 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 (as defined in the Listing Document, 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 and the shares of Wing Lee Property were listed on the Stock Exchange.

The directors of the Company do not recommend a final dividend for the years ended 31 December 2013 and 31 December 2012.

9. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2013	2012
	HK$'000	*HK$'000*
(Loss) earnings		
(Loss) earnings for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	**(35,536)**	312,808

Number of shares	**2013**	2012
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**320,525,879**	320,525,879

From continuing operation

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

	2013	2012
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to the owners of the Company	**(35,536)**	312,808
Profit for the year from the discontinued operation attributable to the owners of the Company	**(8,136)**	(288,270)
(Loss) earnings for the purpose of basic (loss) earnings per share from the continuing operation	**(43,672)**	24,538

The denominator used are the same as those above for basic (loss) earnings per share.

From discontinued operation

Basic earnings per share for discontinued operation is 2.54 HK cents per share (2012: 89.93 HK cents per share) based on the profit for the year from discontinued operation of HK$8,136,000 (2012: HK$288,270,000) and the denominator set out above for basic earnings per share.

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

10. TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**59,609**	50,281
Other receivables	**5,680**	6,850
	65,289	57,131

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:

	2013	2012
	HK$'000	*HK$'000*
Age		
0 – 90 days	**58,463**	49,841
91 – 180 days	**1,146**	440
	59,609	50,281

11. TRADE AND OTHER PAYABLES

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**9,711**	5,222
Accrued expenses	**18,999**	21,821
Other tax payables	**14,761**	10,588
Tax penalty	**17,500**	4,307
Rental deposits received	**318**	346
Payable for acquisition of property, plant and equipment	**–**	7,824
Other payables	**5,395**	5,462
	66,684	55,570

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:

	2013	2012
	HK$'000	*HK$'000*
Age		
0 – 90 days	**9,649**	5,222
91 – 180 days	**62**	–
	9,711	5,222

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

12. BANK LOANS

At 31 December 2013, bank loans carry interest at HIBOR plus 0.9% to 2.5% (2012: 0.9% to 2.5%) per annum. During the year ended 31 December 2013, the effective interest rates of variable rate bank loans range from 1.11% to 2.71% (2012: 1.17% to 2.90%) per annum. The bank loans at 31 December 2013 and 31 December 2012 are contractually repayable within one year and contained a repayable on demand clause.

13. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.50 each		
Authorised:		
At 1 January 2012, 31 December 2012 and 31 December 2013	400,000,000	200,000
Issued and fully paid:		
At 1 January 2012, 31 December 2012 and 31 December 2013	320,525,879	160,263

14. EVENT AFTER THE REPORTING PERIOD

On 19 March 2014, the Company announced that the Directors of the Company propose a capital reduction for the Group (the "Proposed Capital Reduction"), which involves the following:

(a) cancelling paid-up capital in the amount of HK$0.49 on each of the issued existing shares in the issued share capital of the Company and applying the credit arising from such reduction to the contributed surplus account of the Company or other account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the bye-laws of the Company and applicable laws in Bermuda;

(b) sub-dividing each of the unissued existing shares of HK$0.50 in the authorised share capital of the Company into 50 new shares of the Company of HK$0.01 each; and

(c) reducing the entire amount of approximately HK$78.8 million standing to the credit of the Company's share premium account and applying the credit arising from such reduction to the contributed surplus account of the Company or other account of the Company which may be utilised by the Directors as a distributable reserve in accordance with the bye-laws of the Company and applicable laws in Bermuda.

The Proposed Capital Reduction is subject to the following conditions:

(a) the passing of a special resolution approving the Proposed Capital Reduction by the shareholders of the Company at a special general meeting to be held;

(b) compliance by the Company with the applicable statutory requirements under the Companies Act of Bermuda; and

(c) the Stock Exchange granting the listing of, and permission to deal in, the new shares of the Company.

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 2013 (the "year").

PERFORMANCE

For the year, the Group achieved a revenue of approximately HK$316 million (2012: approximately HK$369 million), representing a decrease of 14% as compared with the same period in 2012. Loss for the year of the Group was approximately HK$36 million (2012: profit of approximately HK$312 million), representing a decrease of 112% as compared with the same period in 2012. Loss per share was 11.09 HK cents (2012: earnings per share of 97.59 HK cents).

The Board does not recommend the payment of a dividend for the year.

BUSINESS REVIEW

Electronic Manufacturing Services Business (the "EMS Business")

Market and Business

The ongoing European debt crisis continues to dampen the buying desires of consumers, and the market sentiment in America did not rebound. Hence, the global demand for home electronic entertainment product has decreased, adversely affecting the overall sales of the electronic and electrical component manufacturing sector. The Group's sales to European, Japanese and Korean customers accounted for approximately HK$24 million (2012: HK$29 million), HK$135 million (2012: HK$159 million) and HK$131 million (2012: HK$132 million) to the sales of the EMS Business for the year ended 31 December 2013 respectively. Facing a decreasing demand from European and Japanese customers, the Directors turned their focus towards other countries to expand its customer base. The Group dedicated significant effort in establishing its market share in Korea. Due to these efforts, the Group was able to maintain the sales revenue of the Group attributable to our Korean customers.

Sales of RCA pin jack, SCART and phone jack accounted for approximately 60% (2012: 59%) of the EMS Business for the year ended 31 December 2013. However, the demand for traditional RCA pin jack and SCART has been decreasing with the development of HDMI devices over the past ten years. The Group has contributed engineering resources in developing USB and PCMCIA connectors and sales of these connectors accounted for approximately 20% (2012: 18%) of the EMS business for the year ended 31 December 2013. The Group has gained recognition from customers for our devotion to quality and has successfully built up a considerable market share as a reputable component provider in the electronic and electrical component manufacturing sector. The Group will continue to focus on higher margin products which demand high quality standards, and diversify our product horizon to include electronic handheld devices, home appliances and related products.

Due to a significant decrease in sales turnover and increase in expenses provision incurred for business process re-engineering of the EMS Business of the Group, it has recorded a loss of approximately HK$44 million for the year ended 31 December 2013.

Manufacturing Operations

Manufacturing expenses for the Group increased for the year due to several factors:

- Material costs increased mainly due to higher copper price over the year as compared to 2012;

- Depreciation and repair expenditure on plant and equipment increased. As moving parts in engines wear out quickly, maintenance on plant and equipment was necessary in order to maintain product quality;

- Labour cost and local provincial government duties incurred at the PRC factories have continued to increase every year;

- The 50% tax concession for which our factories qualified under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law had expired by the end of 2012, which further increased our expenses; and

- The continuing appreciation of Renminbi to Hong Kong dollars further dampened the profit margin of the Group.

The Directors have carried out a review assessing the commercial value of certain plant and equipment. The ever-changing advancement of home electronic entertainment product directly affects the demand for traditional electronic and electrical components. Equipment used to recycle copper became uneconomical to operate. The Group also suspended its electroplating process during the year as it was not economically sound to operate considering the decreasing volume of business. The commercial value of these equipment was considered insignificant and was therefore written-off. This has caused approximately HK$21 million to be charged to the Group's expenses.

As wages and overhead expenses in the PRC has been increasing and policies undertaken by certain provincial government to encourage small or local investors were implemented, large scale operations became too expensive and has lost its comparative advantages. The Group intends to subcontract some of its simple assembly processes in Luoding, the PRC in the coming years. The progress of the changeover will be highly dependent on the progress of selecting and liaison with sub-contractors. We will act cautiously when selecting our production partner to ensure minimal impact on our product delivery. The overall financial impact on assets impairment and severance payment provision was approximately HK$4 million.

The Group has been struggling to keep up with the pace of new technologies in the electronic entertainment product industry as the advancement of smart phones and portable entertainment devices have significantly affected consumer behaviour. People tend to spend money on the newest sophisticated models. Due to competition, the characteristic of the electronic industry's life cycles of new models has shortened, causing the launching of new electronic parts to become expensive. The Group has therefore conducted a detailed review on our existing assembly and moulding machineries. Machineries that were specifically designed for traditional models are now in disuse and approximately HK$7 million were impaired.

Property Investment Business

On 19 March 2013, the Company successfully spun-off the Property Investment Business and Wing Lee Property Investments Limited ("Wing Lee Property") was listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The result of Property Investment Business was consolidated to the Group up to 18 March 2013, and thereafter Wing Lee Property became an associate of the Group. The profit of Property Investment Business attributable to the Group amounted to approximately HK$8 million for the period from 1 January to 18 March 2013 and share of profit of Wing Lee Property as an associate of the Group amounted to approximately HK$5 million from 19 March to 31 December 2013. Therefore, it contributed profits to the Group of approximately HK$13 million (2012: HK$288 million).

PROSPECTS

Since the spin-off of the Property Investment Business of the Company in the first quarter of the year, the Group has focused on its EMS Business.

We have carried out a detailed review of our operation model, looked into the operating & financial environment and local government policies where we operate, modified our existing production flow and financial arrangement. Simple production processes which are labour-intensive will be sub-contracted. Significant amount of assets had been written off or impaired, the Group suspended the electroplating process and disposed of the copper recycling division. We believe that the Group has become more flexible to cope with rapid changes in the market.

Our customer base comprises a majority of internationally renowned electronic consumer product brands. Their manufacturing plants are located globally, our management maintains direct contact with the production people in order to provide best quality services to our customers. In addition, we believe the 2014 World Cup will have a positive impact on demand for home electronic entertainment products and a slight recovery on the global consumption sentiment is expected. The Group will diversify its product horizon and has developed electrical components used in smart phones and portable entertainment devices. We have successfully become an approved supplier for the aforementioned electrical components of a major customer that is an international renowned brand. Orders for these electrical components will be delivered in the first half of 2014.

Facing the pressure of increasing production costs and decreasing sales turnover, the Group will closely monitor the market trend on raw material prices, strengthen inventory control and procurement process in order to capture low market rates; further consolidate different back-office functions in the factories so as to save indirect costs; improve the efficiency and quality in production engineering so as to shorten lead time on delivery and maintain our product at a high standard. We shall also cautiously monitor the manufacturing and trading business. 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

RESULTS REVIEW

2013 was a challenging year for the Group. The Group successfully spun-off the Property Investment Business on 19 March 2013. Since then, the plan for business process re-engineering of the EMS Business has been underway in preparation for the new era of recovery of the Group.

Financial summary of the EMS Business for the year ended 31 December 2013:

- Turnover was approximately HK$316 million (2012: HK$369 million), representing a decrease of 14%;

- Gross profit was approximately HK$79 million (2012: HK$120 million), gross profit margin was 25% (2012: 33%), representing a decrease of 8%; and

- Loss before taxation incurred, before sharing of profit of an associate, was approximately HK$37 million (2012: profit of HK$39 million), a significant decrease of approximately HK$76 million compared to that of 2012.

The Group's results for this year was skewed as there were significant impairment loss on plant and machineries of approximately HK$30 million arising from disposal of our copper recycling division, suspension of electroplating division and other machineries that were specifically designed for traditional models. There was also expenses provision related to tax matter of approximately HK$14 million.

The overall impact of the above attributable to the loss incurred of the Group for the year was approximately HK$44 million. Thus, the earnings before taxation, after adjusting the incidental events incurred as mentioned earlier, was approximately HK$7 million. This adjusted net profit margin was only 3% for the year, whereas around 10% in 2012 which represented a decrease of 7% as compared to last year.

Facing the difficult business environment, both from the consumer electronics product market and the operating environment in the PRC, the Group took the above actions and anticipated that the business process re-engineering will go smoothly in the coming year.

FINANCIAL REVIEW

The Group pursues an aggressive strategy in its trading activities and adopts a conservative strategy in the financing of the Group's activities. The normal working capital of the Group is well funded by its own cash flow generated and short term bank facilities.

Cash Position and Cash Flow

The Group continued to enjoy a solid cash position for the year under review, with cash and cash equivalents amounting to approximately HK$73 million as at 31 December 2013 (31 December 2012: HK$71 million).

Liquidity and Capital Resources

As at 31 December 2013, the net current assets of the Group (which contained EMS Business only) amounted to approximately HK$89 million (31 December 2012: HK$74 million for the EMS Business). The current and quick ratio was 1.8 and 1.4 respectively (31 December 2012: 1.7 and 1.3 respectively for the EMS Business).

As at 31 December 2013, the gearing ratio of the EMS Business, calculated by dividing total bank borrowings by net assets of the EMS Business, was 5.9% (31 December 2012: 4.7%). The bank borrowings of the EMS Business were approximately HK$20 million (31 December 2012: 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 2013, there was net cash of approximately HK$53 million (31 December 2012: HK$41 million). There were approximately HK$25 million unutilised banking facilities available for the EMS Business as at 31 December 2013.

Capital and Reserves

Shareholders' funds dropped to approximately HK$335 million (31 December 2012: approximately HK$1,125 million) which was mainly due to the spin-off of our Property Investment Business on 19 March 2013, of which 83% interest, in the Property Investment Business was distributed to our shareholders, which amounted to HK$757 million.

Subsequent to year end date, the Directors have proposed a capital reduction to facilitate the payment of dividends as and when the Directors consider it appropriate in the future. For details of the proposed capital reduction, please refer to the Company's announcement dated 19 March 2014.

Capital Expenditure

During the year, the Group invested approximately HK$11 million (2012: approximately HK$26 million), mainly on high quality plastic injection machines and automatic machines to further improve the quality and production efficiency of our products. As at 31 December 2013, there was capital expenditure commitments of approximately HK$1 million.

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 2013 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 2013.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2013, the Group employed a total of approximately 1,500 employees (31 December 2012: approximately 1,800 employees) in Hong Kong and the People's Republic of China (the "PRC"). The total salaries and wages for the year ended 31 December 2013 amounted to approximately HK$71 million (2012: approximately HK$94 million, of which approximately HK$86 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 to subscribe shares of the Company to qualified employees as and when the Board considers appropriate based on operation conditions and individual performance.

FINAL DIVIDEND

The Board does not recommend a final dividend for the year ended 31 December 2013 (2012: HK$nil).

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 Tuesday, 24 June 2014 to Friday, 27 June 2014, 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 (to be moved to Level 22, Hopewell Centre, 183 Queen's Road East Hong Kong with effect from 31 March 2014) for registration not later than 4:30 p.m. on Monday, 23 June 2014.

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 2013.

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 2013, the Company has complied with the 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, among other things, any new director appointed by the Board to fill a casual vacancy 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.

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, Mr. Chow Tak Hung, the Chairman of the Board, will 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 2013, 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 profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2013 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 2013 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 our 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, 19 March 2014

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.