WING TAI INVESTMENT HOLDINGS LIMITED
永泰投資控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 876)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board (the "**Board**") of directors (the "**Directors**") of Wing Tai Investment 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 2014 together with the comparative figures for the corresponding year ended 31 December 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Continuing operation			
Turnover	3	**363,455**	315,985
Cost of goods sold		**(303,027)**	(237,215)
Gross profit		**60,428**	78,770
Other income, gains and losses	4	**(34,821)**	4,638
Selling and distribution costs		**(40,027)**	(9,602)
Administrative expenses		**(82,555)**	(81,786)
Other expenses		**(39,225)**	(2,660)
Impairment loss recognised in respect of property, plant and equipment		**(36,375)**	(30,447)
Changes in fair value of investment properties		**164**	(2,080)
Finance costs	5	**(8,844)**	(378)
Gain on disposal of subsidiaries		**53,277**	6,664
Share of profit of an associate		**3,331**	4,667
Loss before taxation	6	**(124,647)**	(32,214)
Taxation	7	**(983)**	(11,789)
Loss for the year from continuing operation		**(125,630)**	(44,003)
Discontinued operation			
Profit for the year from discontinued operation	8	**—**	8,136
Loss for the year		**(125,630)**	(35,867)

	Note	**2014** *HK$'000*	2013 *HK$'000*
Other comprehensive (expense) income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation			
Exchange differences arising during the year		**(4,212)**	12,435
Reclassification of exchange differences upon disposal of subsidiaries		**(29,315)**	(9,673)
Total comprehensive expense for the year		**(159,157)**	(33,105)
(Loss) profit for the year attributable to owners of the Company:			
– from continuing operation		**(90,005)**	(43,672)
– from discontinued operation		**—**	8,136
		(90,005)	(35,536)
Loss for the year attributable to non-controlling interests:			
– from continuing operation		**(35,625)**	(331)
– from discontinued operation		**—**	—
		(35,625)	(331)
Loss for the year		**(125,630)**	(35,867)
Total comprehensive expense attributable to:			
Owners of the Company		**(129,678)**	(32,774)
Non-controlling interests		**(29,479)**	(331)
		(159,157)	(33,105)
			(Restated)
Loss per share	*10*		
From continuing and discontinued operations			
– Basic		**(3.40) HK cents**	(1.39) HK cents
– Diluted		**(3.40) HK cents**	N/A
From continuing operation			
– Basic		**(3.40) HK cents**	(1.70) HK cents
– Diluted		**(3.40) HK cents**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Investment properties		**183,554**	33,276
Property, plant and equipment		**2,233**	146,991
Prepaid lease payments		**8,519**	13,028
Interest in an associate		—	67,363
Deposits paid for acquisition of property, plant and equipment		—	543
		194,306	261,201
Current assets			
Inventories		**4,716**	44,121
Trade and other receivables	*11*	**142,872**	65,289
Amount due from a director		**5,600**	-
Taxation recoverable		**9,043**	8,924
Bank balances and cash		**28,009**	72,962
		190,240	191,296
Current liabilities			
Trade and other payables	*12*	**164,271**	66,684
Amount due to a director		**1,800**	—
Amount due to a non-controlling shareholder of a subsidiary		**2,571**	—
Taxation payable		**2,758**	16,402
Bank loans - due within one year	*13*	**1,637**	20,000
		173,037	103,086
Net current assets		**17,203**	88,210
Total assets less current liabilities		**211,509**	349,411
Non-current liabilities			
Deferred taxation		—	13,997
		211,509	335,414

	Note	**2014**	2013
		HK$'000	*HK$'000*
Capital and reserves			
Share capital	*14*	**3,845**	160,263
Reserves		**136,982**	175,151
Equity attributable to owners of the Company		**140,827**	335,414
Non-controlling interests		**70,682**	—
		211,509	335,414

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**"). On 28 March 2014, Bright Asia Holdings Limited ("**Bright Asia**"), the then immediate and ultimate holding company of the Company, entered into a sales and purchase agreement with an independent third party to the Group, Weltrade Group Limited ("**Weltrade**"), a company incorporated in the British Virgin Islands, pursuant to which Weltrade acquired 70.11% of the total number of issued share capital of the Company from Bright Asia (the "**Share Transfer**"). The Share Transfer was completed on 27 May 2014, as a result, Weltrade had became the immediate and ultimate holding company of the Company. On 23 September 2014, Weltrade disposed 29.01% of the then issued share capital of the Company. After the disposal, Weltrade holds 41.09% interest in the Company and, in the opinion of the directors of the Company, Weltrade continues to be the immediate and ultimate holding company of the Company.

In 2013, the Group completed an exercise for distribution of its properties investment operation through the 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 the Group's properties investment operation in Hong Kong and the People's Republic of China (the "**PRC**"), 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 were set out in the listing document of Wing Lee Property dated 28 February 2013 (the "**Listing Document**"). The spin-off exercise was completed on 19 March 2013. The Property Group's results for the year ended 31 December 2013 was presented as a discontinued operation in the Group's 2013 annual report.

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

The Company is an investment holding company and the principal activities of its major subsidiaries are engaged in the manufacture of and trading in electronic components and property holding and investment.

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

In the current year, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs (hereinafter collectively referred to as the "**new and revised HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) - INT 21	Levies

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.

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

HKFRS 9	Financial instruments[1]
HKFRS 14	Regulatory deferral accounts[2]
HKFRS 15	Revenue from contracts with customers[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[5]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[4]
Amendments to HKAS 27	Equity method in separate financial statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale and contribution of assets between an investor and its associate or joint venture[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 - 2012 cycle[6]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 - 2013 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 - 2014 cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

The directors of the Company anticipate that the adoption of the new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating activity is currently attributable to a single operating segment focusing on the manufacture of and trading in electronic components in the PRC and Hong Kong (continuing operation). This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conformed to HKFRSs, that are regularly reviewed by the executive directors of the Company (the "Executive Directors") (being the chief operating decision maker of the Company). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources.

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 Stock Exchange on 19 March 2013 (the "Spin Off"), the properties investment division of the Group, which was under the Spin Off, was classified as a discontinued operation of the Group for the year ended 2013.

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

Segment revenues and results

For the year ended 31 December 2014

	Continuing operation - Manufacture of and trading in electronic components *HK$'000*
TURNOVER	
External sales	**363,455**
RESULTS	
Segment results	**(156,370)**
Unallocated income	**3,737**
Unallocated expenses	**(19,778)**
Finance costs	**(8,844)**
Gain on disposal of subsidiaries	**53,277**
Share of profit of an associate	**3,331**
Loss before taxation	**(124,647)**

For the year ended 31 December 2013

	Continuing operation - Manufacture of and trading in electronic components *HK$'000*	Discontinued operation - Properties investment *HK$'000*
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 taxation	(32,214)	8,627

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, certain other income, gains and losses and other expenses, 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 segment:

	2014	2013
	HK$'000	*HK$'000*
SEGMENT ASSETS		
Manufacture of and trading in electronic components and	**190,685**	375,440
Unallocated assets	**193,861**	77,057
Consolidated assets	**384,546**	452,497
SEGMENT LIABILITIES		
Manufacture of and trading in electronic components and	**56,910**	66,663
Unallocated liabilities	**116,127**	50,420
Consolidated liabilities	**173,037**	117,083

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, taxation recoverable and investment property acquired by the Group in 2014 and completed as at the year end date (2013: the investment property held at 31 December 2013 was allocated to the manufacture of and trading in electronic components segment which was disposed during 2014); and

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

Other segment information

	Continuing operation - Manufacture of and trading in electronic components		Discontinued operation - Properties investment	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment (loss) profit:				
Depreciation of property, plant and equipment	**19,280**	30,302	**—**	379
Amortisation of prepaid lease payments	**231**	356	**—**	—
Fair value (gain) loss of investment properties	**(164)**	2,080	**—**	(10,976)
Loss (gain) on disposal of property, plant and equipment	**41,497**	(2,100)	**—**	—
Allowance for inventories	**—**	247	**—**	—
Bad debts recovered	**(29)**	(10)	**—**	—
Net exchange loss	**396**	2,660	**—**	—

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	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**169,846**	161,536	**—**	67,847
PRC	**62,180**	34,640	**194,306**	193,354
Malaysia	**33,587**	43,807	**N/A**	N/A
Europe	**11,642**	18,049	**N/A**	N/A
Singapore	**26,306**	27,268	**N/A**	N/A
Russia	**30,156**	N/A	**N/A**	N/A
Others	**29,738**	30,685	**N/A**	N/A
	363,455	315,985	**194,306**	261,201

Information about major customers

For the year ended 31 December 2014, one customer from the segment of manufacture of and trading in electronic components contributed HK$132,688,000 (2013: HK$110,573,000) of the total turnover of the Group, which is over 10% of the total turnover of the Group for the year.

4. OTHER INCOME, GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Interest on bank deposits	**248**	365
Loan interest income	**3,460**	-
(Loss) gain on disposal of property, plant and equipment	**(41,497)**	2,100
Bad debts recovered	**29**	10
Fair value loss on derivative component of convertible notes	**(436)**	—
Others	**3,375**	2,163
	(34,821)	4,638

5. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**196**	378
Interest on convertible notes wholly repayable within five years	**8,648**	—
	8,844	378

6. LOSS BEFORE TAXATION

	2014	2013
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):		
Directors' and chief executive's remuneration	**7,174**	6,000
Other staff's retirement benefits scheme contributions	**2,198**	2,769
Other staff costs	**83,266**	67,068
	92,638	75,837
Gross rental income	—	(2,148)
Less: outgoings	—	498
	—	(1,650)
Allowance for inventories	—	247
Amortisation of prepaid lease payments	**231**	356
Auditor's remuneration	**1,432**	1,000
Bad debts recovered (included in other income)	**(29)**	(10)
Cost of inventories recognised as expense (including of allowance for inventories: 2013: HK$247,000 (2014: nil))	**303,027**	237,215
Compensation for staff laid off (included in other expenses)	**32,951**	—
Professional fees incurred by the Company in respect of a general offer of the Company (included in other expenses)	**5,878**	—
Depreciation of property, plant and equipment	**19,280**	30,302
Net exchange loss (included in other expenses)	**396**	2,660
Operating lease rentals in respect of rented premises	**1,368**	4,221

7. TAXATION

	2014	2013
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**929**	867
PRC Enterprise Income Tax	**73**	2,275
	1,002	3,142
Underprovision in prior years:		
Hong Kong	**—**	6,125
PRC Enterprise Income Tax	**—**	3,032
	—	9,157
Deferred tax credit	**(19)**	(510)
	983	11,789

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

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 demand for an aggregate of approximately HK$18,375,000 (the "**2012 Assessments**") to one of the Company's subsidiaries in connection with the pricing policy of its intergroup transactions of the trading and manufacturing operations in these years.

In 2012, the Group lodged objections to the IRD against the 2012 Assessments and had made partial payments in aggregate of HK$9,100,000 with respect to assessment years 2004/05 and 2005/06 to the IRD temporarily (part of which was in form of tax reserve certificate). The directors of the Company proposed to the IRD to adjust the pricing of the intercompany transactions, thus, the assessable profits of its subsidiaries in Hong Kong and the PRC would be adjusted based on the proposal in these years (the "**Proposal**"). In the opinion of the directors of the Company, it was considered a valid case to pursue, and therefore, based on the Proposal, the Group had made further tax provisions of HK$11,276,000 (together with related tax potential penalty which has been charged to administrative expenses) for the years from 2004/2005 to 2010/2011 during the year ended 31 December 2012.

In 2013, the Group paid the tax HK$9,275,000 with respect to assessment year 2006/07 on the 2012 Assessments and paid a late payment surcharge of approximately HK$464,000 which had been charged to administrative expense. Further to the latest discussions with the IRD, the directors of the Company have revised its Proposal to further adjust the pricing of the intercompany transactions and the assessable profits of its subsidiaries in Hong Kong and the PRC in order to expedite the settlement with the IRD (the "**Revised Proposal**"). Based on the Revised Proposal, the Group had made further tax provisions of HK$19,886,000 (together with related tax potential penalty which has been charged to administrative expenses) for the years from 2004/2005 to 2012/2013 during the year ended 31 December 2013.

Up to the date of these consolidated financial statements, the negotiations for tax assessments were not yet concluded and the Group is still in the process of negotiating with the IRD in respect of the Revised Proposal, however, the directors of the Company are of the view that the Revised Proposal would be accepted by the IRD. During the year ended 31 December 2014, no additional tax provisions was made in respect of the tax audit.

In the event where the Revised Proposal is accepted by the IRD, final settlement of the tax audit in respect of the Assessments could be less than the amount aforementioned, the excess balance should be refundable to the Group. On the other hand, the tax recoverable including the tax reserve certificate purchased by the Group would be charged to profit or loss, if the IRD disagrees with the above mentioned basis and the Group failed the objection.

The provision for PRC Enterprise Income Tax ("**EIT**") is based on the estimated taxable income for PRC taxation purpose at the rate of taxation applicable for the year.

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.

8. DISCONTINUED OPERATION

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 from the discontinued operation was analysed as follows:

	1.1.2013 to 18.3.2013
	HK$'000
Turnover	**4,948**
Direct operating expenses	**(337)**
Other income	**86**
Net changes in fair value of investment properties	**10,976**
Administrative expenses	**(2,653)**
Other expenses	**(3,993)**
Finance costs	**(400)**
Profit before taxation	**8,627**
Taxation	**(491)**
Profit for the period	**8,136**

During the year ended 31 December 2013, the discontinued operation contributed cash flows of HK$69,000 in respect of the Group's net operating activities, contributed HK$53,000 in respect of investing activities and paid HK$4,002,000 in respect of financing activities.

9. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Special dividend of 30 HK cents (2013: nil) per share	**96,158**	—
Special dividend, by way of a distribution in specie of shares of Wing Lee Property *(notes a and b)*	**70,694**	756,677
	166,852	756,677

Notes:

(a) On 8 April 2014, the board of directors of the Company declared a conditional special dividend by way of a distribution in respect of Wing Lee Property shares held by the Company in proportion of 0.2048 share for every one share held by the shareholders of the Company, representing approximately 17% of the issued share capital of Wing Lee Property. On 9 June 2014, a total of 65,649,879 Wing Lee Property shares, representing approximately 17% of the shares of Wing Lee Property were distributed to the owners of the Company, whose names appear on the register of members of the Company at the close of business on 26 May 2014, pursuant to the fulfillment of all conditions to this distribution.

(b) On 19 February 2013, a conditional special interim dividend was declared by the board of directors of the Company, which was 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.

Other than the special dividend and the distribution in specie indicated above, no dividend were paid, declared or proposed for the years ended 31 December 2014 and 31 December 2013.

10. LOSS PER SHARE

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(90,005)**	(35,536)

Number of shares

	2014	2013 (Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,644,894,914**	2,564,207,032

From continuing operation

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

	2014	2013
	HK$'000	*HK$'000*
Loss for the year attributable to the owners of the Company	**(90,005)**	(35,536)
Profit for the year from the discontinued operation attributable to the owners of the Company	**—**	(8,136)
Loss for the purpose of basic and diluted loss per share from the continuing operation	**(90,005)**	(43,672)

The denominator used are the same as those above for basic and diluted loss per share.

From discontinued operation

Basic earnings per share for discontinued operation in 2013 was 0.32 HK cents per share (restated) based on the profit for the year from discontinued operation of HK$8,136,000 and the denominator set out above for basic earnings per share.

The computation of diluted earnings per share for the year ended 31 December 2014 does not assume the conversion of the Company's convertible notes since the conversion would result in a decrease in loss per share.

No diluted loss per share was presented for the year ended 31 December 2013 as there were no potential dilutive share during that year.

11. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**68,249**	59,609
Loans receivables	**71,400**	-
Other receivables	**3,223**	5,680
	142,872	65,289

Trade receivables

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:

	2014	2013
	HK$'000	*HK$'000*
Age		
0 – 90 days	**67,553**	58,463
91 – 180 days	**696**	1,146
	68,249	59,609

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$7,611,000 (2013: HK$7,289,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there is no adverse change in the credit standing of the debtors from the date at which credit was initially granted. The Group does not hold any collateral over these balances at the end of the reporting period. The average age of these receivables is 82 days (2013: 70 days).

Aging of trade receivables which are past due but not impaired

	2014	2013
	HK$'000	*HK$'000*
Overdue by:		
1 – 30 days	**6,965**	6,143
31 – 90 days	**646**	1,146
Total	**7,611**	7,289

No interest is charged on overdue trade receivables, it is the Group's policy to provide fully for all receivables over eight months because historical experience is such that receivables past due beyond eight months are generally not recoverable. No allowances were made during both years as no trade receivables were aged over eight months.

Loans receivables

Loans receivables represent loans to individuals which are unsecured and carry interest at 1% per month. At 31 December 2014, all loans receivable have lending terms of 3 months but contained a repayable on demand clause. The aggregated principal amount outstanding at the end of the reporting period is HK$70,000,000 and the balance includes interest receivable of HK$1,400,000.

All loans receivables are with average age of 139 days (since the loans were granted) and are past due at the end of the reporting period (average overdue for 47 days since maturity date). The Group has not provided impairment loss on these loans receivables as all the loans were subsequently settled after the end of the reporting period.

12. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**4,991**	9,711
Accrued expenses	**12,768**	12,679
Accrued staff salary and bonus	**7,606**	6,320
Other tax payables	**3,150**	14,761
Tax penalty	**17,500**	17,500
Consideration payable for acquisition of subsidiaries	**109,130**	—
Payable for acquisition of property, plant and equipment	**3,385**	—
Interest payable	**1,969**	—
Rental deposits received	—	318
Other payables	**3,772**	5,395
	164,271	66,684

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:

	2014	2013
	HK$'000	*HK$'000*
Age		
0 - 90 days	**4,991**	9,649
91 - 180 days	—	62
	4,991	9,711

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

13. BANK LOANS

At 31 December 2014, bank loans carry interest at fixed rate of 7.62% (2013: variable rate of HIBOR plus 0.9% to 2.5%) per annum. During the year ended 31 December 2014, the effective interest rates of fixed rate bank loan is 7.62% (2013: variable rate bank loan 1.11% to 2.71%) per annum. The bank loan at 31 December 2014 is contractually repayable within one year while the bank loan at 31 December 2013 contained a repayable on demand clause.

14. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Authorised:		
At 1 January 2013 and 31 December 2013 (HK$0.50 each)	**400,000,000**	200,000
Increased in authorised share capital by sub-dividing each of the unissued existing shares of HK$0.50 into 50 new shares of HK$0.01 each *(note a)*	**19,600,000,000**	—
Increased in authorised share capital by sub-dividing each of the unissued existing shares of HK$0.01 in 8 new shares of HK$0.00125 each *(note b)*	**140,000,000,000**	—
At 31 December 2014 (HK$0.00125 each)	**160,000,000,000**	200,000
Issued and fully paid:		
At 1 January 2013 and 31 December 2013 (HK$0.50 each)	**320,525,879**	160,263
Reduction of par value of each share from HK$0.50 to HK$0.01 *(note a)*	—	(157,058)
Share subdivision of HK$0.01 each being subdivided into 8 subdivided shares of HK$0.00125 *(note b)*	**2,243,681,153**	—
Issue of shares upon conversion of convertible notes *(note c)*	**511,999,999**	640
At 31 December 2014 (HK$0.00125 each)	**3,076,207,031**	3,845

Notes:

(a) Pursuant to a special resolution passed in a special general meeting of the Company, the Company effected a capital reduction on 20 May 2014 which involved: (i) 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 board of directors of the Company as a distributable reserve in accordance with the bye-laws of the Company and applicable laws in Bermuda; (ii) 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 HK$0.01 each; and (iii) 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 board of directors of the Company as a distributable reserve in accordance with the bye-laws of the Company and applicable laws in Bermuda. Details of the capital reduction were set out in the circular of the Company dated 17 April 2014.

(b) Pursuant to an ordinary resolution passed in a special general meeting of the Company, the Company effected a share subdivision on 22 September 2014 which involved each of the existing issued and unissued ordinary shares of HK$0.01 each in share capital of the Company be subdivided into 8 subdivided shares of HK$0.00125 each. Details of the share subdivision were set out in the circular of the Company dated 29 August 2014.

(c) On 17 October 2014, the Company received notice from the holder of the convertible notes, requesting for the conversion of the Notes in the principal amount of HK$50,000,000. On 22 October 2014, the Company allotted and issued a total of 256,410,256 conversion shares to the holder at the conversion price of HK$0.195 per conversion share.

On 13 November 2014, the Company received notice from the holder of the convertible notes, requesting for the conversion of the Notes in the principal amount of HK$49,840,000 on 18 November 2014, the Company allotted and issued a total of 255,589,743 conversion shares to the holder at the conversion price of HK$0.195 per conversion share.

15. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 10 January 2015, the Company entered into an agreement with several parties (including the vendor, the guarantor and two individuals) to acquire 100% equity interest in a company (the "**Target**") and shareholder's loan for a consideration of HK$300,000,000 (subject to the downward adjustments in respect of profit guarantee), of which HK$100,000,000 is to be satisfied by cash and HK$200,000,000 by the issue and allotment to the vendor or its nominees of up to 500,000,000 shares of the Company (the "**January Acquisition**"). The portion of the consideration to be settled in cash will be financed by the net proceeds from a proposed placing. The Target and its subsidiaries are principally engaged in the sale and production of dental prosthetics.

On 10 January 2015, the Company and an institutional investor entered into a subscription agreement, pursuant to which the institutional investor conditionally agreed to (or procure its nominees to) subscribe for, and the Company conditionally agreed to issue and allot to the institutional investor, an aggregate of 250,000,000 shares under the placing. The shares to be issued under the placing will be issued under a specific mandate to be sought for approval of the shareholders at the special general meeting.

The proposed acquisition and the proposed placing are inter-conditional on each other. The details of the proposed acquisition and the proposed placing are set out in an announcement issued by the Company dated 11 January 2015.

On 16 March 2015, due to substantial changes to the January Acquisition, the Company entered into a termination agreement with the relevant parties to terminate the proposed acquisition (as mentioned above). On the same date, the Company entered into a new acquisition agreement (the "**New Acquisition Agreement**") with literally the same parties in the January Acquisition, pursuant to which the Company will acquire 100% equity interest in the Target and the shareholder's loan. The consideration and certain terms of the new acquisition agreement remains unchanged except, among others, certain profit guarantees and adjustment mechanism to the consideration for the acquisition were revised. In addition, on 16 March 2015, a supplemental subscription agreement was entered by the Company with the institutional investors to amend certain terms of the proposed placing. The details of the termination to the January Acquisition, the New Acquisition Agreement and the supplement subscription agreement are set out in an announcement issued by the Company dated 17 March 2015.

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "**Board**") of Wing Tai Investment 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 2014 (the "**year**").

PERFORMANCE

For the year, the Group achieved revenue of approximately HK$363 million (2013: approximately HK$316 million), representing an increase of 15% as compared with the same period in 2013. Loss for the year from continuing operation of the Group was approximately HK$126 million (2013: loss of approximately HK$36 million). Loss per share was 3.40 HK cents (2013: loss per share of 1.39 HK cents).

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

BUSINESS REVIEW

Electronic Manufacturing Services Business (the "EMS Business")

Market and Business

Consumers demand quality electronic products at lower prices. PRC brand name manufacturers of consumer electronic goods have been making headway into the international consumer market and have been receiving positive feedback due to its lower price point for comparatively similar products to our brand name customer's consumer electronic goods.

Our customers are facing intense competition from PRC brand name manufacturers of consumer electronic products. As such, some of our customers have been adversely affected and their sales and market share has been declining. To curb the decrease, our customers are inclined to offer products at more competitive prices causing a knock-on effect to suppliers of components such as our Group. This knock-on effect has adversely affected our Group's sales performances as we may be forced to maintain competitiveness by decreasing our prices.

Despite the above, the Group has been able to leverage ties with its existing customers and has received increased sales orders. The Group's revenue has increased to approximately HK$363 million (2013: HK$316 million) for the year ended 31 December 2014.

In order to maintain business growth, our customers have exerted tremendous effort to refresh their product lines to meet the ever-changing market demand and differentiate themselves. A shorter time frame to launch products is required to keep consumers interested. Such quick turnover of new products requires our customers to shorten its production time causing suppliers such as our Group to deliver products with an even shorter lead time. This demand has led to an increase in the Group's production costs.

Apart from customer-related cost increases, operational expenses have also increased. The Group has been increasing its salary and employment benefits in efforts to retain workers. This lead to an increase in labour cost of the Group.

Although the Group has been outsourcing its production processes which are labour intensive, there continues to be a lack of skilled labour in Guangdong Province. General shortage of workers in the region has continued to be an issue for the Group. As such, the Group has altered its operational model from internal production to outsourcing its labour intensive processes.

As more labour intensive processes have been outsourced, this caused an increase in severance payments to workers of the Group. The compensation for staff laid off amounted to approximately HK$33 million. In addition, the reduced number of workers have created excess factory and dormitory space as well as unused machinery at the Heyuan factory. The Group therefore conducted a detailed review on our existing factory facility. Excess factory and dormitory space in disuse and approximately HK$36 million were impaired in the current period. To efficiently allocate the resources of the Group, the Group has disposed the excess factory, dormitory space and unused machineries.

OUTLOOK

In the long run, it is anticipated that intense competition will continue amongst PRC brand name manufacturers of consumer electronic products and our customers. Due to the above, sales and market share of our customers is expected to decline. Inevitably, this will adversely affect the sales performance of the Group as well.

Due to increases in costs to run a factory in China, many of our brand name customers have relocated their China production plants to other countries. This move has adversely affected our transportation costs. Factoring in the increased transportation costs to our products, the Group will continue to fine-tune our product portfolio with the aim of streamlining product deliverables by retiring lower yield product lines.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS REVIEW

2014 was a challenging year for the Group. 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 2014:

- Turnover was approximately HK$363 million (2013: HK$316 million), representing an increase of 15%;

- Gross profit was approximately HK$60 million (2013: HK$79 million), gross profit margin was approximately 17% (2013: 25%), representing a decrease of approximately 8%; and

- Loss before taxation incurred, before sharing of profit of an associate, was approximately HK$128 million (2013: loss of HK$37 million), a significant increase in loss before taxation of approximately HK$91 million compared to that of 2013.

In addition to the compensation paid for staff layoffs of approximately HK$33 million, the Group's results for this year was skewed partially attributable to significant impairment loss on plant and machineries of approximately HK$36 million which were subsequently disposed and resulted in a loss of approximately HK$41 million. The overall impact of the above attributable to the loss incurred of the Group for the year was approximately HK$110 million.

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$28 million as at 31 December 2014 (31 December 2013: HK$73 million).

Liquidity and Capital Resources

As at 31 December 2014, the net current assets of the Group (which contained EMS Business only) amounted to approximately HK$17 million (31 December 2013: HK$88 million for the EMS Business). The current and quick ratio was 1.10 and 1.07 respectively (31 December 2013: 1.9 and 1.4 respectively for the EMS Business).

As at 31 December 2014, the gearing ratio of the EMS Business, calculated by dividing total bank borrowings by net assets of the EMS Business, was 0.77% (31 December 2013: 6.0%). The bank borrowings of the EMS Business were approximately HK$2 million (31 December 2013: HK$20 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 2014, there was net cash of approximately HK$28 million (31 December 2013: HK$53 million). There were no unutilised banking facilities available for the EMS Business as at 31 December 2014.

Capital and Reserves

Shareholders' equity dropped to approximately HK$212 million (31 December 2013: approximately HK$335 million).

Capital Expenditure

During the year, the Group invested approximately HK$27 million (2013: approximately HK$11 million), mainly on production equipment. As at 31 December 2014, there was no capital expenditure commitments.

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 2014 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 2014.

Disposal of Subsidiaries

During the year ended 31 December 2014, the Group disposed of Wing Lee (Switch & Jack) Limited and its subsidiaries (collectively referred to as the "Wing Lee Switch & Jack Group), and China King Holdings Limited and its subsidiaries (collectively referred to as the China King Group) to facilitate the Group restructuring.

Details of the disposals were set out in the Company's circular dated 2 May 2014.

Acquisition

During the year, the Group entered into an agreement to acquire 70% equity interest in Common Glory Global Limited ("**Common Glory**") and 70% of the total amount of shareholder's loan owing by Common Glory and its subsidiaries for cash consideration of HK$128,380,000. The acquisition was completed on 31 December 2014.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2014, the Group employed a total of approximately 160 employees (31 December 2013: approximately 1,500 employees) in Hong Kong and the People's Republic of China (the "**PRC**"), a reduction owing to the layoff of production staff at the Heyuan factory. The total salaries and wages for the year ended 31 December 2014 amounted to approximately HK$85 million (2013: approximately HK$70 million. 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 final dividend for the year ended 31 December 2014 (2013: HK$nil).

OTHER INFORMATION

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 2014.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2014.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2014, the Company has complied with the Corporate Governance Code (the "**Code**") as contained in Appendix 14 of the Listing Rules, except for the following deviations:

Code Provision A.2.1

Code Provision A.2.1 – this Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chow Tak Hung held both positions of Chairman and Chief Executive Officer (the "**CEO**") from 1 January 2014 to 2 June 2014. On 3 June 2014, he has relinquished his position as the Chairman and was re-designated as non-executive Director of the Company on 20 June 2014. Mr. Wen Jialong was appointed as executive Director and Chairman of the Company on 3 June 2014, and was appointed as the CEO on 20 June 2014. The Board considers that vesting the roles of Chairman and CEO in the same person facilitates the execution of the Company's business strategies and maximizes the effectiveness of its operation. With the present Board structure and scope of business, the Board considers that there is no imminent need to separate the roles into two individuals. However, the Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the position of the Chairman and CEO is necessary.

Code Provision A.6.7

Code Provision A.6.7 – this Code stipulates that independent non-executive and other non-executive directors should attend general meetings.

Due to other business engagements, not all independent non-executive directors and other non-executive directors attend the general meetings of the Company.

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The share option scheme adopted by the Company in 2003 (the "**Scheme**") expired on 31 January 2013. The Company did not have any effective share option scheme as at 31 December 2014.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee previously comprised three independent non-executive Directors, Mr. Yip Tai Him, Dr. Lau Yue Sun and Mr. Lam Kwok Cheong. Mr. Yip Tai Him and Dr. Lau Yue Sun resigned from the Audit Committee with effect from 20 June 2014. Mr. Lam Kwok Cheong was re-designated from independent non-executive director to non-executive director from 20 June 2014 and still be the member of the Audit Committee. Dr. Loke Yu alias Lok Hoi Lam was appointed as Chairman and member of the Audit Committee and Mr. Zeng Zhaolin and Mr. Lung Chee Ming, George were appointed as members of the Audit Committee with effect from 20 June 2014. Dr. Loke Yu alias Loke Hoi Lam, Mr. Zeng Zhaolin and Mr. Lung Chee Ming, George are the independent non-executive Directors of the Company.

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2014, 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 2014 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 2014 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.

By order of the Board
Wing Tai Investment Holdings Limited
Wen Jialong
Chairman and Executive Director

Hong Kong, 20 March 2015

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wen Jialong (Chairman) and Mr. Wu Xiaolin (Vice-Chairman), two non-executive Directors, namely Mr. Chow Tak Hung and Mr. Lam Kwok Cheong and three independent non-executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu alias Loke Hoi Lam and Mr. Lung Chee Ming George.