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WONG'S INTERNATIONAL HOLDINGS LIMITED
王氏國際集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 99)

ANNOUNCEMENT OF 2013 FINAL RESULTS

The Board of Directors (the "Board" or "Directors") of Wong's International Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2013

	Note	2013 HK$'000	2012 HK$'000
Revenue	2	**3,687,724**	3,342,947
Other income	3	**23,624**	37,419
Changes in inventories of finished goods and work in progress		**8,942**	15,192
Raw materials and consumables used		**(2,880,991)**	(2,615,152)
Employee benefit expenses		**(471,085)**	(421,452)
Depreciation and amortisation charges		**(39,996)**	(38,420)
Other operating expenses		**(223,640)**	(223,889)
Change in fair value of investment properties		**18,689**	12,500
Other (losses)/gains – net	4	**(7,544)**	5,712
Operating profit		**115,723**	114,857
Finance income		**9,184**	10,545
Finance costs		**(13,938)**	(6,272)
Share of profit of associates		**–**	4,225
Share of loss of joint ventures		**(11,358)**	(72)
Profit before income tax		**99,611**	123,283
Income tax expense	5	**(20,300)**	(23,696)
Profit after income tax		**79,311**	99,587

	Note	**2013**	2012
		HK$'000	*HK$'000*
Profit attributable to owners of the Company		**77,912**	100,332
Non-controlling interests		**1,399**	(745)
		79,311	99,587
Dividends	*6*	**23,924**	26,219
Earnings per share attributable to owners of the Company during the year			
Basic earnings per share	*7*	**HK$0.16**	HK$0.21
Diluted earnings per share	*7*	**HK$0.16**	HK$0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**79,311**	99,587
Other comprehensive income:		
Item that will not be reclassified subsequently to profit or loss:		
Surplus on revaluation of property transferred from owner-occupied property to investment property	–	500
Items that may be reclassified to profit or loss:		
Changes in fair value of available-for-sale financial assets	**(35,653)**	7,792
Impairment for available-for-sale financial assets reclassified to income statement	**23,370**	3,891
Currency translation differences	**24,062**	8,032
Other comprehensive income for the year, net of tax	**11,779**	20,215
Total comprehensive income for the year	**91,090**	119,802
Attributable to:		
Owners of the Company	**89,760**	120,466
Non-controlling interests	**1,330**	(664)
Total comprehensive income for the year	**91,090**	119,802

CONSOLIDATED BALANCE SHEET

At 31 December 2013

	Note	**2013** *HK$'000*	2012 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**285,437**	257,544
Investment properties		**98,717**	59,600
Leasehold land and land use rights		**22,297**	11,215
Investments in associates		**–**	–
Interests in joint ventures	*8*	**1,143,816**	350,089
Intangible assets		**13,054**	5,416
Available-for-sale financial assets		**28,340**	63,993
Deferred income tax assets		**9,030**	13,280
Deposits and other receivables		**6,460**	11,011
		1,607,151	772,148
Current assets			
Inventories		**409,367**	374,378
Trade receivables	*9*	**828,518**	710,745
Prepayments, deposits and other receivables		**38,986**	57,536
Amounts due from associates		**38**	36
Current income tax recoverable		**9,553**	71
Non-current assets held for sale	*10*	**18,453**	–
Short-term bank deposits		**126,584**	–
Cash and cash equivalents		**674,609**	801,753
		2,106,108	1,944,519
Total assets		**3,713,259**	2,716,667
EQUITY			
Equity attributable to owners of the Company			
Share capital		**47,848**	47,661
Other reserves		**582,021**	563,076
Retained earnings			
– Proposed dividends		**11,962**	14,325
– Others		**937,306**	889,767
		1,579,137	1,514,829
Non-controlling interests		**4**	(1,326)
Total equity		**1,579,141**	1,513,503

	Note	2013 HK$'000	2012 HK$'000
LIABILITIES			
Non-current liabilities			
Derivative financial instrument		**897**	2,726
Deferred income tax liabilities		**509**	5
Borrowing	*12*	**420,000**	–
		421,406	2,731
Current liabilities			
Trade payables	*11*	**795,753**	625,523
Accruals and other payables		**244,322**	217,507
Current income tax liabilities		**20,212**	9,273
Borrowings	*12*	**652,425**	348,130
		1,712,712	1,200,433
Total liabilities		**2,134,118**	1,203,164
Total equity and liabilities		**3,713,259**	2,716,667
Net current assets		**393,396**	744,086
Total assets less current liabilities		**2,000,547**	1,516,234

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Share capital	Share premium	Other reserves	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2012	47,308	151,081	1,225,277	(666)	1,423,000
Comprehensive income					
Profit for the year	–	–	100,332	(745)	99,587
Other comprehensive income					
Change in fair value of available-for-sale financial assets	–	–	7,792	–	7,792
Impairment for available-for-sale financial assets reclassified to income statement	–	–	3,891	–	3,891
Currency translation differences	–	–	7,951	81	8,032
Surplus on revaluation of property transferred from owner-occupied property to investment property	–	–	500	–	500
Total other comprehensive income	–	–	20,134	81	20,215
Total comprehensive income	–	–	120,466	(664)	119,802
Transactions with owners					
Dividend paid to owners of the Company	–	–	(30,925)	–	(30,925)
Grant of subsidiary's share to employee	–	–	–	4	4
Employee share option scheme – proceeds from shares issued	353	1,269	–	–	1,622
Total transactions with owners	353	1,269	(30,925)	4	(29,299)
As at 31 December 2012	47,661	152,350	1,314,818	(1,326)	1,513,503
As at 1 January 2013	**47,661**	**152,350**	**1,314,818**	**(1,326)**	**1,513,503**
Comprehensive income					
Profit for the year	**–**	**–**	**77,912**	**1,399**	**79,311**
Other comprehensive income					
Change in fair value of available-for-sale financial assets	**–**	**–**	**(35,653)**	**–**	**(35,653)**
Impairment for available-for-sale financial assets reclassified to income statement	**–**	**–**	**23,370**	**–**	**23,370**
Currency translation differences	**–**	**–**	**24,131**	**(69)**	**24,062**
Total other comprehensive income	**–**	**–**	**11,848**	**(69)**	**11,779**
Total comprehensive income	**–**	**–**	**89,760**	**1,330**	**91,090**
Transactions with owners					
Dividend paid to owners of the Company	**–**	**–**	**(26,314)**	**–**	**(26,314)**
Employee share option scheme – proceeds from shares issued	**187**	**675**	**–**	**–**	**862**
Total transactions with owners	**187**	**675**	**(26,314)**	**–**	**(25,452)**
As at 31 December 2013	**47,848**	**153,025**	**1,378,264**	**4**	**1,579,141**

NOTES:

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Certain comparative figures have been reclassified to conform to the current year's presentation.

New and amended standards adopted by and relevant to the Group

Amendments to HKAS 1, 'Financial statements presentation' introduce a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified.

Amendment to HKFRS 7, 'Financial instruments: disclosures' requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

HKFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

HKFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operation accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

HKFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

HKFRS 13, 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and generally accepted accounting principles in the United States of America, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2013 and have no material impact to the Group.

HKAS 19 (Amendment)	Employee benefits
HKAS 27 (2011)	Separate financial statements
HKAS 28 (2011)	Investments in associates and joint ventures
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine
Annual Improvements Project	Annual improvements 2009 – 2011 cycle

New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted.

HKAS 19 (Amendments)	Employee benefits: defined benefit plans – employee contributions
HKAS 32 (Amendment)	Financial instruments: presentation – offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
HKAS 39 (Amendment)	Novation of derivatives and continuation of hedge accounting
HKFRS 9	Financial instruments
HKFRS 10, 12 and HKAS 27 (Amendment)	Consolidation for investment entities
HKFRS 14	Regulatory deferral accounts
HK(IFRIC) 21	Levies
Annual Improvements Project	Annual improvements 2010 – 2012 cycle
Annual Improvements Project	Annual improvements 2011 – 2013 cycle

2. SEGMENT INFORMATION

The Group's senior executive management is considered as the Chief Operating Decision Maker ("CODM"). There are differences from the last annual financial statement in the basis of segmentation as an additional segment "property investment" is added. The comparative segment information as at 31 December 2012 has been reclassified to align with the presentation of the latest segment information disclosure as a result of the change in CODM's review on the Group's performance and resources. The Group is currently organised into three operating divisions:

Electronic Manufacturing Service ("EMS") – manufacture and distribution of electronic products for EMS customers.

Original Design and Manufacturing ("ODM") – original design and manufacturing for both EMS and ODM customers.

Property investment – development, sale and lease of properties.

The CODM reviews the performance of the Group on a regular basis and reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the operating segments based on a measure of segment results. This measurement basis includes profit or loss of the operating segments before other income, other (losses)/gains – net, share of profit of associates, interest income, interest expense and income tax expense but excludes corporate and unallocated expenses. Other information provided to the Group's management is measured in a manner consistent with that in the consolidated financial statements.

	EMS division *HK$'000*	**ODM division** *HK$'000*	**Property investment division** *HK$'000*	**Total** *HK$'000*
For the year ended 31 December 2013				
Total gross revenue	**3,680,281**	**13,471**	**–**	**3,693,752**
Inter-segment revenue	**(6,028)**	**–**	**–**	**(6,028)**
External revenue	**3,674,253**	**13,471**	**–**	**3,687,724**
Segment results	**124,932**	**(21,081)**	**6,462**	**110,313**
Depreciation and amortisation charges	**36,943**	**278**	**65**	**37,286**
Share of loss of joint ventures	**–**	**–**	**(11,358)**	**(11,358)**
Change in fair value of investment properties	**–**	**–**	**18,689**	**18,689**
Rental income	**–**	**–**	**1,974**	**1,974**
Capital expenditure	**94,085**	**7,865**	**20,177**	**122,127**
Loans to joint ventures	**–**	**–**	**805,085**	**805,085**

	EMS division *HK$'000*	ODM division *HK$'000*	Property investment division *HK$'000*	Total *HK$'000*
For the year ended 31 December 2012				
Total gross revenue	3,302,530	50,476	–	3,353,006
Inter-segment revenue	(10,059)	–	–	(10,059)
External revenue	3,292,471	50,476	–	3,342,947
Segment results	90,352	(6,864)	10,490	93,978
Depreciation and amortisation charges	35,265	362	94	35,721
Share of loss of joint ventures	–	–	(72)	(72)
Change in fair value of investment properties	–	–	12,500	12,500
Rental income	–	–	1,386	1,386
Capital expenditure	28,574	6,030	642	35,246
Loans to joint ventures	–	–	49,153	49,153

	EMS division HK$'000	ODM division HK$'000	Property investment division HK$'000	Total HK$'000
As at 31 December 2013				
Segment assets	**2,284,576**	**20,928**	**101,871**	**2,407,375**
Interests in joint ventures	**–**	**–**	**1,143,816**	**1,143,816**
Total reportable segment assets	**2,284,576**	**20,928**	**1,245,687**	**3,551,191**
As at 31 December 2012				
Segment assets	2,036,385	16,788	62,472	2,115,645
Interests in joint ventures	–	–	350,089	350,089
Total reportable segment assets	2,036,385	16,788	412,561	2,465,734

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables, non-current assets held for sale, cash and cash equivalents and short-term bank deposits, but exclude available-for-sale financial assets, deferred income tax assets, amounts due from associates and corporate and unallocated assets.

A reconciliation of reportable segment results to profit before income tax is provided as follows:

	2013 HK$'000	As restated 2012 HK$'000
Reportable segment results	**110,313**	93,978
Other income	**23,624**	37,419
Other (losses)/gains – net	**(7,544)**	5,712
Finance (costs)/income – net	**(4,754)**	4,273
Share of profit of associates	**–**	4,225
Corporate and unallocated expenses	**(22,028)**	(22,324)
Profit before income tax	**99,611**	123,283

Reportable segments assets are reconciled to total assets as follows:

	2013 HK$'000	As restated 2012 HK$'000
Reportable segment assets	**3,551,191**	2,465,734
Available-for-sale financial assets	**28,340**	63,993
Deferred income tax assets	**9,030**	13,280
Amounts due from associates	**38**	36
Corporate and unallocated assets	**124,660**	173,624
Total assets per consolidated balance sheet	**3,713,259**	2,716,667

Reconciliations of other material items are as follows:

	2013 HK$'000	As restated 2012 HK$'000
Depreciation and amortisation charges		
– Reportable segment total	**37,286**	35,721
– Corporate headquarters	**2,710**	2,699
	39,996	38,420
Capital expenditure		
– Reportable segment total	**122,127**	35,246
– Corporate headquarters	**–**	1,415
	122,127	36,661

The Company is domiciled in Bermuda. Analysis of the Group's revenue by geographical market, which is determined by the destination of the invoices billed, is as follows:

	2013 HK$'000	2012 HK$'000
North America	**483,114**	386,940
Asia (excluding Hong Kong)	**1,906,188**	1,860,021
Europe	**699,378**	639,736
Hong Kong	**599,044**	456,250
	3,687,724	3,342,947

For the year ended 31 December 2013, revenues of approximately HK$972,584,000 (2012: HK$918,803,000), HK$870,475,000 (2012: HK$795,181,000), HK$360,163,000 (2012: HK$225,241,000) and HK$272,113,000 (2012: HK$214,540,000) were derived from the top four external customers respectively. These revenues are attributable to the EMS division.

Analysis of the Group's non-current assets by geographical market is as follows:

	2013 HK$'000	2012 HK$'000
North America	**2,969**	2,080
Asia (excluding Hong Kong)	**236,081**	178,426
Europe	**51**	37
Hong Kong	**1,359,020**	578,325
	1,598,121	758,868

Non-current assets comprise property, plant and equipment, investment properties, leasehold land and land use rights, investments in associates, interests in joint ventures, intangible assets, available-for-sale financial assets and deposits and other receivables. They exclude deferred income tax assets.

3. OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Rental income	**1,974**	1,386
Tooling income	**10,604**	23,052
Others	**11,046**	12,981
	23,624	37,419

4. OTHER (LOSSES)/GAINS – NET

	2013	2012
	HK$'000	*HK$'000*
Write-back of trade and other payables	**6,512**	7,790
Write-back of impairment provision on amount due from an associate and amount due to an associate	**750**	5,640
Gains/(losses) on financial instrument – net		
– Unrealised	**1,829**	(2,726)
– Realised	**(899)**	(928)
(Losses)/gains on disposal of property, plant and equipment	**(76)**	350
Exchange gains/(losses) – net	**7,710**	(523)
Impairment for available-for-sale financial assets	**(23,370)**	(3,891)
	(7,544)	5,712

5. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**1,438**	6,210
– Overseas taxation	**24,260**	14,247
Deferred income tax	**5,006**	3,113
(Over)/under – provision in prior years		
– Current income tax	**(10,456)**	525
– Deferred income tax	**52**	(399)
	20,300	23,696

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong.

The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax ("CIT") at a rate of 25% (2012: 25%) on the estimated profits, except for Welco Technology (Suzhou) Limited ("WTSZ"), a wholly owned subsidiary of the Group. During the year ended 31 December 2013, WTSZ successfully applied and is eligible for preferential CIT Rate of 15% under the New and High Technology Enterprises status with effect from 1 January 2012. In this connection, WTSZ received a taxation refund of HK$8,999,000 from the Chinese tax authority during the year ended 31 December 2013.

6. DIVIDENDS

The dividends paid in 2013 and 2012 were approximately HK$26,314,000 (HK$0.055 per share) and HK$30,925,000 (HK$0.065 per share) respectively. A final dividend in respect of the year ended 31 December 2013 of HK$0.025 per share, amounting to a total dividend of approximately HK$11,962,000, will be proposed at the upcoming annual general meeting of the Company. These financial statements do not reflect this final dividend payable.

	2013	2012
	HK$'000	*HK$'000*
Interim dividend paid – HK$0.025 (2012: HK$0.025) per share	**11,962**	11,894
Proposed final dividend – HK$0.025 (2012: HK$0.03) per share	**11,962**	14,325
	23,924	26,219

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2013	2012
Profit attributable to owners of the Company *(HK$'000)*	**77,912**	100,332
Weighted average number of ordinary shares in issue *(in thousands)*	**478,100**	475,215
Basic earnings per share *(HK$)*	**0.16**	0.21

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company had share options which were of dilutive potential. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The calculation of diluted earnings per share was based on the following:

	2013	2012
Profit attributable to owners of the Company *(HK$'000)*	**77,912**	100,332
Weighted average number of ordinary shares in issue *(in thousands)*	**478,100**	475,215
Adjustment for share options *(in thousands)*	**316**	1,374
Weighted average number of ordinary shares for diluted earnings per share *(in thousands)*	**478,416**	476,589
Diluted earnings per share *(HK$)*	**0.16**	0.21

8. INTERESTS IN JOINT VENTURES

	2013	2012
	HK$'000	*HK$'000*
Share of net (liabilities)/assets	**(10,020)**	1,338
Loans to joint ventures	**1,153,836**	348,751
	1,143,816	350,089

The loans to joint ventures are unsecured, interest-free and will not be repaid in the coming 12 months.

9. TRADE RECEIVABLES

The credit period allowed by the Group to its trade customers mainly ranges from 30 days to 90 days and no interest is charged.

Ageing analysis of Group's trade receivables by invoice date is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 60 days	**697,351**	509,149
61 – 90 days	**106,937**	136,098
Over 90 days	**24,230**	65,498
	828,518	710,745

10. NON-CURRENT ASSETS HELD FOR SALE

	2013	2012
	HK$'000	*HK$'000*
Transferred from property, plant and equipment	**14,273**	–
Transferred from leasehold land and land use rights	**4,394**	–
Exchange difference	**(214)**	–
At 31 December	**18,453**	–

On 23 August 2013, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the property and the leasehold land use rights in Vietnam for a consideration of US$2,800,000 (equivalent to approximately HK$21,748,000). The property and the related land use rights was classified as non-current assets held for sale as at 31 December 2013. In this connection, a deposit of US$1,960,000 (equivalent to approximately HK$15,223,000) has been received and was included in "Accruals and other payables". The transaction is expected to complete in year 2014.

11. TRADE PAYABLES

Ageing analysis of the Group's trade payables by invoice date is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 60 days	**621,428**	624,659
61 – 90 days	**126,651**	472
Over 90 days	**47,674**	392
	795,753	625,523

12. BORROWINGS

	2013	2012
	HK$'000	*HK$'000*
Long-term bank loan, secured	**420,000**	–
Trust receipt bank loans, unsecured	**289,829**	59,254
Short-term bank loans, unsecured	**317,746**	237,126
Portion of a mortgage loan from bank due for repayment within one year	**6,900**	6,900
Portion of a mortgage loan from bank due for repayment after one year which contains a repayment on demand clause	**37,950**	44,850
Total borrowings	**1,072,425**	348,130
Non-current	**420,000**	–
Current	**652,425**	348,130
Total borrowings	**1,072,425**	348,130

DIVIDENDS

The Company paid an interim dividend of HK$0.025 (2012: HK$0.025) per share for 2013. The Directors now recommend the payment of a final dividend of HK$0.025 (2012: HK$0.03) per share on or before Friday, 20 June 2014 to the shareholders whose names appear on the Register of Members of the Company on Friday, 6 June 2014. Payment of such proposed final dividend is subject to approval of the shareholders at the forthcoming annual general meeting of the Company.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed on Friday, 6 June 2014 and no transfer of shares will be effected on that date. To qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (effective from 31 March 2014, will change to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong) for registration not later than 4:30 p.m. on Thursday, 5 June 2014.

REVIEW OF BUSINESS ACTIVITIES

Results

The Group reported a consolidated turnover of HK$3.69 billion in the year ended 31 December 2013, representing an increase of 10.3% as compared with HK$3.34 billion in the financial year 2012. The Group's consolidated operating profit for the year was HK$115.7 million or 3.1% of revenue as compared to HK$114.9 million or 3.4% for the previous year. The increase in operating profit was driven by the growth in sale revenue but was impacted negatively by the increase in labour costs and an impairment loss on an available-for-sale financial asset.

Profit attributable to owners of the Company decreased by 22.3% to HK$77.9 million as compared to the HK$100.3 million in the corresponding period last year. The decrease was due to the Group's share of expenses incurred by joint ventures of approximately HK$11.4 million, an impairment loss for an available-for-sale financial asset of HK$23.4 million and the increase in finance costs on bank loans to finance the payment of land premium related to a property development of HK$7.7 million. Basic earnings per share for the year amounted to HK$0.16 (2012: HK$0.21).

The EMS Division

As core business segment of the Group, the EMS Division reported a modest increase of HK$0.4 billion or a 11.6% increase in revenue to HK$3.7 billion for the year ended 31 December 2013 as compared with HK$3.3 billion in last financial year. Revenues for the manufacturing plant in Shenzhen increased by 17.2% while the plant in Suzhou dropped slightly by 0.4% when compared to the same period in 2012. During the year, the uneven and patchy recovery of the global economy began to strengthen slowly, leading to the overall improvement in the macroeconomic environment. Customer orders and gross profit were recouped in the second half of the year and contributed to the revenue increase for the year. However, the increasing labour cost arising from the labour supply shortage and the rise in mandatory minimum wage in the People's Republic of China ("PRC") added significantly to employee benefit expenses. In addition, the appreciation in Renminbi continued to present a long-term pressure on material and operating costs. The segment profit attributable to the EMS Division was HK$124.9 million, a 38.3% increase compared to HK$90.4 million for the financial year 2012.

The ODM Division

The performance of the ODM Division was disappointing as the sales revenue from iCarte for Apple® iPhone® for the year plummeted by 73.3% to HK$13.5 million as compared with the HK$50.5 million in 2012. The global adoption of mobile payment using Near Field Communication ("NFC") technology has been slower than anticipated because of a number of interrelated demand and supply barriers, which include, among others, slow consumer adoption, the deficiency of uniform technological standards in NFC and competition issues among the mobile payment service providers.

Apple and iPhone are trademarks of Apple Inc., registered in the U.S. and other countries.

Property Investment Division

The Group has two joint ventures with Sun Hung Kai Properties Limited on the development of two sites for office buildings in Kwun Tong. The construction work for the first site at KTIL 173 was completed in 2013, about three years after the project commencement in 2010. The new Grade A office building is strategically situated in Hong Kong's future second Central Business District and in close proximity to the Kai Tak Cruise Terminal and the proposed monorail train station. The Certificate of Compliance for the building was issued in January 2014 and the sale and leasing campaign have been launched. Due to the prime location of the building, the Group plans to hold its interest in the building for long term investment and rental purpose. In respect of the second site where the previous Wong's Industrial Centre was located, the lease modification was approved in early 2013 and land premium corresponding to the Group's share in the project of approximately HK$698.2 million was paid in May 2013. Demolition works for the Wong's Industrial Centre was completed in November 2013 and foundation and diaphragm works are in progress. Construction for the second site is targeted to be completed in 2017.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group had a total of HK$2,235.3 million of banking facilities. Total bank borrowings were HK$1,072.4 million, of which HK$22.2 million was arranged by an overseas subsidiary. Cash and cash equivalents and short-term bank deposits were HK$801.2 million at 31 December 2013 (2012: HK$801.8 million).

As at 31 December 2013, the Group had net bank borrowings of HK$271.2 million, as compared to a net cash surplus of HK$453.7 million at 31 December 2012. The decrease was mainly due to the new bank borrowing of HK$628.4 million to partially finance the land premium payment and the construction costs totalling HK$805.1 million during the year. Sufficient banking facilities and bank balance are available to meet the cash needs of the Group for its manufacturing operation as well as property development activities.

The Group's net gearing ratio as at 31 December 2013 was approximately 17.2% (2012: net cash surplus), which was calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents and short-term bank deposits.

FOREIGN EXCHANGE AND RISK MANAGEMENT

Most of the Group's sales are conducted in United States dollars and costs and expenses are mainly in United States dollars, Hong Kong dollars, Japanese Yen and Chinese Renminbi. Consistent with the prudent policy in financial risk management, the Group does not engage in any foreign exchange hedging products. The Group monitors fluctuations in exchange rates closely and will consider hedging significant foreign exchange exposures where it is necessary or practicable.

CAPITAL STRUCTURE

There has been no material change in the Group's capital structure since 31 December 2012, which consists of bank borrowings, cash and cash equivalents, short-term bank deposits and equity attributable to owners of the parent, comprising issued share capital and reserves.

EMPLOYEES

As at 31 December 2013, the Group employed approximately 4,600 employees. The Group adopts a remuneration policy which is commensurate with job nature, qualification and experience of employees. In addition to the provision of annual bonuses, medical and life insurances, discretionary bonuses are also rewarded to employees based on individual performance. The remuneration packages and policies are reviewed periodically. The Group also provides in-house and external training programs to its employees.

PROSPECTS

The EMS market has been susceptible to global economic fluctuations. It is encouraging that in 2013 the world economy is recovering from repercussions induced by the sovereign debt problem in Europe and the sluggish economic recovery in the U.S. Our performance in 2013 was a reflection of the market upturn as well as the unwavering efforts of our dedicated team to achieve growth under competitive market conditions and a challenging operating environment. Looking ahead, there are projections that the EMS market worldwide will resume growth in 2014 after the decline in 2013. The improvement in customer forecasts in early 2104 could be a telltale sign of the trend. To meet the challenges to come, the Group will continue to employ effective strategies to maintain its competitiveness and profitability. Continuous efforts will be made to expand the customer base and deliver value added engineering services. Stringent cost cutting measures and improvement in efficiency and productivity through automation are our top priorities to counteract the impact of increasing labour and operating costs.

The growth of iCarte has been hindered by the market reception and the failure for a standard technological platform to develop. With the belief that the substantial market potential of mobile payment is yet to be realised, the Group is committed to promote the development of this niche market by providing convenient products and secure applications which exceed customer expectations.

On the launch of the self-developed Cloud Tablet was deferred to the first quarter of 2014 because of the extensive testing and certification requirements. The delay in the time to market may somewhat affect the market potential of the Cloud Tablet as other competitive products are introduced into the market. Nevertheless, we are optimistic that our product will attract customer attention because of its distinctive product features and customised user interface.

With the launch of the new office building into commercial property market, the potential appreciation in the value of the Group's investment properties and the potential for a stable steam of rental income will usher in a new chapter in the property development activity of the Group. This offers the opportunity of diversifying the earnings of the Group.

All in all, all these new development will present new opportunities and challenges to the Group. The Board of Directors remains committed to the long-term growth of the business through technological innovation as well as strategic investments and diversifications. Effective strategies are devised and adequate resources deployed in order to meet these goals with the ultimate aim to bring improved returns and long term enhancement to our shareholders.

AWARD & RECOGNITION

The Company and its wholly-owned subsidiary, Wong's Electronics Company Limited have been awarded the Caring Company Logo by the Hong Kong Council of Social Service since March 2012 in recognition of their active participation in community activities and good corporate citizenship.

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

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2013, the Company has complied with the code provisions under the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), except for the following deviations:

Code provision A.2.1

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong Chung Mat, Ben is the Group's Chairman and Chief Executive Officer and has occupied these two positions since February 2003. In allowing the two positions to be occupied by the same person, the Company has considered the following:

(a) Both positions require in-depth knowledge and considerable experience of the Group's business. Candidates with the suitable knowledge, experience and leadership are difficult to find both within and outside the Group. If either of the positions is occupied by an unqualified person, the Group's performance could be gravely compromised.

(b) The Company believes that the supervision of the Board and its Independent Non-executive Directors can provide an effective check and balance mechanism and ensures that the interests of the shareholders are adequately represented.

Code provision A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing Independent Non-executive Directors of the Company is appointed for a specific term. However, every Director of the Company is now subject to retirement by rotation and re-election under Bye-law 112 of the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

Code provisions A.5.1 to A.5.4

Code provisions A.5.1 to A.5.4 provide that a nomination committee should be established with specific terms of reference which should be made available on the websites of the Stock Exchange and the listed issuer, and that sufficient resources should be provided to such committee to perform its duties.

The Company does not have the present intention to establish a Nomination Committee in view that the Board itself shall discharge all duties expected to be dealt with by a Nomination Committee. In addition, the policy and procedure for nomination of directors have been set out in writing and adopted by the Board to serve as a guideline in order to ensure that there is a formal, considered and transparent procedure for the appointment of new directors with suitable experience and capabilities to maintain and improve the competitiveness of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2013.

AUDIT COMMITTEE

The Audit Committee, which comprises all Independent Non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the financial statements for the year ended 31 December 2013.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "2014 AGM") will be held as soon as possible. A notice convening the 2014 AGM, which constitutes part of the circular to shareholders, will be sent to the shareholders together with the 2013 annual report of the Company. The notice of the 2014 AGM and the proxy form will also be available on the websites of the Company and the Stock Exchange.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.wih.com.hk/investor07.asp and the Stock Exchange at www.hkexnews.hk. The 2013 annual report will be dispatched to shareholders of the Company and will be available on the above websites in due course.

By Order of the Board
WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

Hong Kong, 25 March 2014

As at the date of this announcement, the Executive Directors of the Company are Mr. Wong Chung Mat, Ben, Ms. Wong Yin Man, Ada, Mr. Chan Tsze Wah, Gabriel, Mr. Tan Chang On, Lawrence and Mr. Wan Man Keung; and the Independent Non-executive Directors are Dr. Li Ka Cheung, Eric GBS, OBE, JP, Dr. Yu Sun Say GBS, JP and Mr. Alfred Donald Yap JP.