

**WING LEE PROPERTY INVESTMENTS LTD:
CREATIVE ACCOUNTING BOOSTS THE BOTTOM LINE**

After nine months of procrastination, Wing Lee Holdings Ltd () (Code: 876, Main Board, The Stock Exchange of Hongkong Ltd) has, finally, done it: It has floated off its property division by way of Introduction on the Main Board of the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Henceforth, this property division will have its own listing and shall be known as Wing Lee Property Investments Ltd () (Code: 864, Main Board, The Stock Exchange of Hongkong Ltd).

Shareholders of Wing Lee Holdings have received an in specie distribution of the shares of Wing Lee Property in respect of about 83 percent of the Issued and Fully Paid-Up Share Capital of the new, publicly listed company.

Wing Lee Holdings has said that it intends to retain 17 percent of the Issued and Fully Paid-Up Share Capital of Wing Lee Property.

The business of Wing Lee Holdings is in the manufacture of electronic components. This company designs, manufactures and sells electronic jacks and connectors, all of which are basic components, used in electronic, communication and computer products.

It employs more than 2,400 workers and must be considered a major player in its area of expertise.

As for the spin-off of Wing Lee Property, it is engaged, solely, in investing in properties in the HKSAR and the PRC in order to generate a stable, recurrent income.

According to the various announcements of Wing Lee Holdings, it completed the acquisition of four investment properties during 2011 at a total consideration of approximately \$HK81 million (2010: \$HK145 million).

Those acquisitions comprised three residential units, located on Hongkong Island and Kowloon and a single building, located in Mong Kok, Kowloon, Hongkong Island.

According to the latest information from Wing Lee Property, as at February 28, 2013, this Company could boast of owning 35 property investments, 34 of which are in the HKSAR, and one of which is located in Shenzhen, the PRC.

Purchases of commercial and industrial properties far outstripped the purchases of residential properties by the ratio of about 1.40:One.

The total, gross annual income from leasing out its properties in respect of the 2011 Financial Year, ended December 31, was about \$HK20.43 million (2010: \$HK16.03 million).

For the eight months, ended August 31, 2012, the total gross income from leasing out the Company's properties amounted to about \$HK15.56 million (2011: \$HK12.91 million).

The above statistics are unlikely to fill any investor with a great deal of joy, but the Company has included ‘*net changes in fair value of investment properties*’ above the line, thus boosting the Bottom Line, very considerably.

This accounting policy – which is considered totally acceptable in the HKSAR – is to create the following, very bullish appearance of the Financial Years/Periods:

	Financial Year, Ended December 31			Eight Months, Ended August 31	
	All Figures Are Denominated In Hongkong Dollars'000				
	2009	2010	2011	2011	2012
Turnover	12,219	16,030	20,428	12,910	15,558
Direct Operating Expenses	(731)	(1,601)	(3,025)	(1,808)	(913)
	11,488	14,429	17,403	11,102	14,645
Net Changes In Fair Value Of Investment Properties	37,139	43,333	152,914	161,062	223,834
Profit and Total Comprehensive Income For The Year/Period Attributable To Owners Of The Company *	42,393	48,912	158,789	165,340	222,296

***TARGET** () has purposely omitted to include Administrative Costs, Finance Costs and Taxation in the above table.

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