

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## WONG'S INTERNATIONAL (HOLDINGS) LIMITED

王氏國際(集團)有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 99)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The Board of Directors (the "Board") of Wong's International (Holdings) Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010 as follows:

#### CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2010

|   |             | <b>Unaudited</b>          |                 |
|---|-------------|---------------------------|-----------------|
|   |             | <b>For the six months</b> |                 |
|   |             | <b>ended 30 June</b>      |                 |
|   | <i>Note</i> | <b>2010</b>               | <b>2009</b>     |
|   |             | <b>HK\$'000</b>           | <b>HK\$'000</b> |
| <b>Revenue</b>  | 2           | <b>1,656,474</b>          | 1,075,370       |
| Other income  |             | <b>1,945</b>              | 2,609           |
| Changes in inventories of finished goods and work in progress                                 |             | <b>(20,546)</b>           | 15,370          |
| Raw materials and consumables used  |             | <b>(1,293,287)</b>        | (865,384)       |
| Employee benefit expense  |             | <b>(151,274)</b>          | (118,497)       |
| Depreciation and amortisation charges   |             | <b>(27,656)</b>           | (30,982)        |
| Other operating expenses  |             | <b>(88,715)</b>           | (61,855)        |
| Change in fair value of investment properties   |             | <b>3,060</b>              | 1,610           |
| Other (losses) / gains - net  | 3           | <b>(619)</b>              | 1,655           |
| Operating profit  |             | <b>79,382</b>             | 19,896          |
| Finance income  |             | <b>1,238</b>              | 4,080           |
| Finance costs   |             | <b>(389)</b>              | (2,929)         |
| Share of (loss) / profit of associates  |             | <b>(1,277)</b>            | 811             |
| Share of loss of jointly controlled entities  |             | <b>(76)</b>               | (61)            |
| <b>Profit before income tax</b>   |             | <b>78,878</b>             | 21,797          |
| Income tax expense  | 4           | <b>(11,420)</b>           | (2,600)         |
| <b>Profit attributable to equity holders of the Company</b>                                   |             | <b>67,458</b>             | 19,197          |
| Dividends   |             | <b>16,389</b>             | 4,669           |
| <b>Earnings per share attributable to the equity holders of the Company during the period</b> |             |                           |                 |
| Basic earnings per share  | 5           | <b>HK\$0.14</b>           | HK\$0.04        |
| Diluted earnings per share  | 5           | <b>HK\$0.14</b>           | HK\$0.04        |

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

|  | <b>Unaudited</b>          |                 |
|--|---------------------------|-----------------|
|  | <b>For the six months</b> |                 |
|  | <b>ended 30 June</b>      |                 |
|  | <b>2010</b>               | 2009            |
|  | <i>HK\$'000</i>           | <i>HK\$'000</i> |
| <b>Profit for the period</b>   | <b>67,458</b>             | 19,197          |
|  | -----                     | -----           |
| <b>Other comprehensive income / (expense):</b>   |                           |                 |
| Changes in fair value of available-for-sale financial assets                                       | -                         | 7               |
| Currency translation differences   | <b>3,136</b>              | (4,753)         |
|  | -----                     | -----           |
| <b>Other comprehensive income / (expense) for the period</b>                                       | <b>3,136</b>              | (4,746)         |
|  | =====                     | =====           |
| <b>Total comprehensive income attributable to equity holders of<br/>the Company for the period</b> | <b>70,594</b>             | 14,451          |
|  | =====                     | =====           |

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET**  
**AS AT 30 JUNE 2010**

|   | <i>Note</i> | <b>Unaudited<br/>As at<br/>30 June<br/>2010<br/>HK\$'000</b> | <b>Audited<br/>As at<br/>31 December<br/>2009<br/>HK\$'000</b> |
|---|-------------|--|--|
| <b>ASSETS</b>   |             |  |  |
| <b>Non-current assets</b>   |             |  |  |
| Property, plant and equipment   |             | 263,038  | 176,372  |
| Investment properties   |             | 38,180   | 35,120   |
| Leasehold land and land use rights  |             | 6,552  | 6,569  |
| Investments in associates   |             | 35,450   | 13,422   |
| Investments in jointly controlled entities                                    |             | 275,756  | 177,878  |
| Available-for-sale financial assets   |             | 45   | 48   |
| Deferred income tax assets  |             | 4,619  | 8,749  |
|   |             | <u>623,640</u>   | <u>418,158</u>   |
|   |             | -----  | -----  |
| <b>Current assets</b>   |             |  |  |
| Inventories   |             | 443,395  | 277,150  |
| Trade receivables   | 6           | 718,915  | 495,240  |
| Prepayments, deposits and other receivables                                   |             | 59,785   | 51,966   |
| Amounts due from associates   |             | 12,466   | 15,202   |
| Derivative financial instruments  |             | 37   | 113  |
| Financial assets at fair value through profit or loss                         |             | 811  | -  |
| Pledged bank deposits   |             | 181,639  | 23,277   |
| Cash and bank deposits  |             | 349,018  | 446,978  |
|   |             | <u>1,766,066</u>   | <u>1,309,926</u>   |
|   |             | -----  | -----  |
| <b>Total assets</b>   |             | <u><u>2,389,706</u></u>                                      | <u><u>1,728,084</u></u>  |
| <b>EQUITY</b>   |             |  |  |
| <b>Capital and reserves attributable to equity holders<br/>of the Company</b> |             |  |  |
| Share capital   |             | 46,827   | 46,692   |
| Other reserves  |             | 462,933  | 459,325  |
| Retained earnings   |             |  |  |
| - Proposed dividends  |             | 16,389   | 9,339  |
| - Others  |             | 600,203  | 549,160  |
|   |             | <u>1,126,352</u>   | <u>1,064,516</u>   |
|   |             | -----  | -----  |
| <b>Total equity</b>   |             | <u><u>1,126,352</u></u>                                      | <u><u>1,064,516</u></u>  |

|  |             | <b>Unaudited</b>        | Audited          |
|--|-------------|-------------------------|------------------|
|  |             | <b>As at</b>            | As at            |
|  |             | <b>30 June</b>          | 31 December      |
|  |             | <b>2010</b>             | 2009             |
|  | <i>Note</i> | <b>HK\$'000</b>         | <b>HK\$'000</b>  |
| <b>LIABILITIES</b>                           |             |                         |                  |
| <b>Non-current liabilities</b>               |             |                         |                  |
| Borrowings                                   |             | <b>62,100</b>           | -                |
| Deferred income tax liabilities              |             | <b>6,372</b>            | 5,861            |
|  |             | <u><b>68,472</b></u>    | <u>5,861</u>     |
|  |             | -----                   | -----            |
| <b>Current liabilities</b>                   |             |                         |                  |
| Trade payables                               | 7           | <b>719,397</b>          | 457,923          |
| Accruals and other payables                  |             | <b>137,899</b>          | 144,894          |
| Amount due to an associate                   |             | <b>3,183</b>            | 3,183            |
| Amount due to a jointly controlled entity    |             | <b>24</b>               | 24               |
| Derivative financial instruments             |             | <b>300</b>              | -                |
| Current income tax liabilities               |             | <b>6,143</b>            | 2,837            |
| Borrowings                                   |             | <b>327,936</b>          | 48,846           |
|  |             | <u><b>1,194,882</b></u> | <u>657,707</u>   |
|  |             | -----                   | -----            |
| <b>Total liabilities</b>                     |             | <u><b>1,263,354</b></u> | <u>663,568</u>   |
|  |             | -----                   | -----            |
| <b>Total equity and liabilities</b>          |             | <u><b>2,389,706</b></u> | <u>1,728,084</u> |
|  |             | -----                   | -----            |
| <b>Net current assets</b>                    |             | <u><b>571,184</b></u>   | <u>652,219</u>   |
|  |             | -----                   | -----            |
| <b>Total assets less current liabilities</b> |             | <u><b>1,194,824</b></u> | <u>1,070,377</u> |
|  |             | -----                   | -----            |

## NOTES:

### 1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information (“Interim Financial Information”) for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim financial reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited. The Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

This Interim Financial Information has 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 financial instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

The accounting policies and methods of computation used in the preparation of these Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2009, except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning 1 January 2010.

The preparation of Interim Financial Information 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.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

HKFRS 3 (Revised), ‘Business combinations’, and consequential amendments to HKAS 27, ‘Consolidated and separate financial statements’, HKAS 28, ‘Investments in associates’, and HKAS 31, ‘Interests in joint ventures’, are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs are expensed.

## 1. BASIS OF PREPARATION (continued)

As the Group has adopted HKFRS 3 (Revised), it is required to adopt HKAS 27 (Revised), 'Consolidated and separate financial statements', at the same time. HKAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in income statement.

HKAS 17 (Amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

The Group has reassessed the classification of unexpired leasehold land as at 1 January 2010 on the basis of information existing at the inception of those leases, no reclassification is considered necessary. The Group has recognised the leasehold land in Hong Kong acquired after 1 January 2010 as finance lease.

Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group:

|  |  |
|--|--|
| HK(IFRIC) - Int 17   | Distributions of non-cash assets to owners         |
| HKFRS 1 (Amendment)  | Additional exemptions for first-time adopters      |
| HKAS 39 (Amendment)  | Eligible hedged items                              |
| HKFRS 2 (Amendment)  | Group cash-settled share-based payment transaction |
| First improvements to HKFRSs (2008) issued in October 2008 |  |
| Second improvements to HKFRSs (2009) issued in May 2009    |  |

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

|  |  |
|--|--|
| HKFRS 9  | Financial instruments  |
| HKAS 24 (Revised)                                      | Related party disclosures  |
| HKAS 32 (Amendment)                                    | Classification of rights issues  |
| HK(IFRIC) - Int 14 (Amendment)                         | Prepayments of a minimum funding requirement                                   |
| HK(IFRIC) - Int 19                                     | Extinguishing financial liabilities with equity instruments                    |
| HKFRS 1 (Amendment)                                    | Limited exemption from comparative HKFRS 7 disclosures for first-time adopters |
| Third improvements to HKFRSs (2010) issued in May 2010 |  |

## 2. SEGMENT INFORMATION

The Group's senior executive management is considered as the Chief Operating Decision Maker ("CODM"). The Group was organised into two 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.

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 or gains - net, share of loss or profit of associates and jointly controlled entities, interest income, interest expense, tax and change in fair value of investment properties but excludes corporate and unallocated expenses. Other information provided to the Group's management is measured in a manner consistent with that in the Interim Financial Information.

|  | <b>Unaudited<br/>EMS<br/>division<br/>HK\$'000</b> | <b>Unaudited<br/>ODM<br/>division<br/>HK\$'000</b> | <b>Unaudited<br/>Total<br/>HK\$'000</b> |
|--|--|--|---|
| <b>For the six months ended 30 June 2010</b> |  |  |   |
| Total gross revenue                          | 1,655,177  | 1,876  | 1,657,053                               |
| Inter-segment revenue                        | (579)  | -  | (579)                                   |
| External revenue                             | <u>1,654,598</u>                                   | <u>1,876</u>                                       | <u>1,656,474</u>                        |
| Segment results                              | <u>92,023</u>                                      | <u>(7,293)</u>                                     | <u>84,730</u>                           |
| Depreciation and amortisation charges        | <u>27,496</u>                                      | <u>58</u>  | <u>27,554</u>                           |
| Capital expenditure                          | <u>10,876</u>                                      | <u>31</u>  | <u>10,907</u>                           |

## 2. SEGMENT INFORMATION (continued)

|                                       | Unaudited<br>EMS<br>division<br><i>HK\$'000</i>           | Unaudited<br>ODM<br>division<br><i>HK\$'000</i>           | Unaudited<br>Total<br><i>HK\$'000</i>          |
|---------------------------------------|---|---|--|
| For the six months ended 30 June 2009 |   |   |  |
| Total gross revenue                   | 1,073,387   | 2,888   | 1,076,275                                      |
| Inter-segment revenue                 | (905)   | -   | (905)  |
| External revenue                      | <u>1,072,482</u>  | <u>2,888</u>  | <u>1,075,370</u>                               |
| Segment results                       | <u>31,585</u>   | <u>(4,930)</u>  | <u>26,655</u>                                  |
| Depreciation and amortisation charges | <u>30,771</u>   | <u>124</u>  | <u>30,895</u>                                  |
| Capital expenditure                   | <u>24,956</u>   | <u>27</u>   | <u>24,983</u>                                  |
|                                       | <b>Unaudited<br/>EMS<br/>division<br/><i>HK\$'000</i></b> | <b>Unaudited<br/>ODM<br/>division<br/><i>HK\$'000</i></b> | <b>Unaudited<br/>Total<br/><i>HK\$'000</i></b> |
| <b>Reportable segment assets</b>      |   |   |  |
| <b>As at 30 June 2010</b>             | <b><u>1,977,981</u></b>                                   | <b><u>5,460</u></b>                                       | <b><u>1,983,441</u></b>                        |
| As at 31 December 2009                | <u>1,377,844</u>  | <u>5,172</u>  | <u>1,383,016</u>                               |

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, inventories, trade receivables, prepayments, deposits and other receivables and cash, but exclude corporate and unallocated assets.



## 2. SEGMENT INFORMATION (continued)

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

|   | <b>Unaudited</b>                        |                 |
|---|---|-----------------|
|   | <b>For the six months ended 30 June</b> |                 |
|   | <b>2010</b>                             | 2009            |
|   | <i>HK\$'000</i>                         | <i>HK\$'000</i> |
| <b>Reportable segment results</b>             | <b>84,730</b>                           | 26,655          |
| Other income                                  | <b>1,945</b>                            | 2,609           |
| Change in fair value of investment properties | <b>3,060</b>                            | 1,610           |
| Other (losses) / gains - net                  | <b>(619)</b>                            | 1,655           |
| Finance income - net                          | <b>849</b>                              | 1,151           |
| Share of (loss) / profit of associates        | <b>(1,277)</b>                          | 811             |
| Share of loss of jointly controlled entities  | <b>(76)</b>                             | (61)            |
| Corporate and unallocated expenses            | <b>(9,734)</b>                          | (12,633)        |
|   | <hr/>                                   | <hr/>           |
| <b>Profit before income tax</b>               | <b>78,878</b>                           | 21,797          |
|   | <hr/> <hr/>                             | <hr/> <hr/>     |

Reportable segment assets are reconciled to total assets as follows:

|  | <b>Unaudited</b> | Audited         |
|--|------------------|-----------------|
|  | <b>As at</b>     | As at           |
|  | <b>30 June</b>   | 31 December     |
|  | <b>2010</b>      | 2009            |
|  | <i>HK\$'000</i>  | <i>HK\$'000</i> |
| <b>Reportable segment assets</b>                             | <b>1,983,441</b> | 1,383,016       |
| Investment properties  | <b>38,180</b>    | 35,120          |
| Investments in associates                                    | <b>35,450</b>    | 13,422          |
| Investments in jointly controlled entities                   | <b>275,756</b>   | 177,878         |
| Available-for-sale financial assets                          | <b>45</b>        | 48              |
| Deferred income tax assets                                   | <b>4,619</b>     | 8,749           |
| Amounts due from associates                                  | <b>12,466</b>    | 15,202          |
| Derivative financial instruments                             | <b>37</b>        | 113             |
| Financial assets at fair value through profit or loss        | <b>811</b>       | -               |
| Corporate and unallocated assets                             | <b>38,901</b>    | 94,536          |
|  | <hr/>            | <hr/>           |
| <b>Total assets per condensed consolidated balance sheet</b> | <b>2,389,706</b> | 1,728,084       |
|  | <hr/> <hr/>      | <hr/> <hr/>     |

## 2. SEGMENT INFORMATION (continued)

Reconciliations of other material items are as follows:

|                                       | <b>Unaudited</b>          |                 |
|---------------------------------------|---------------------------|-----------------|
|                                       | <b>For the six months</b> |                 |
|                                       | <b>ended 30 June</b>      |                 |
|                                       | <b>2010</b>               | 2009            |
|                                       | <i>HK\$'000</i>           | <i>HK\$'000</i> |
| Depreciation and amortisation charges |                           |                 |
| - Reportable segment total            | <b>27,554</b>             | 30,895          |
| - Adjustments*                        | <b>102</b>                | 87              |
|                                       | <u><b>27,656</b></u>      | <u>30,982</u>   |
| Capital expenditure                   |                           |                 |
| - Reportable segment total            | <b>10,907</b>             | 24,983          |
| - Adjustments*                        | <b>102,903</b>            | 6               |
|                                       | <u><b>113,810</b></u>     | <u>24,989</u>   |

\* The reconciling items for these other material items are the amount incurred for the corporate headquarters which is not included in segment information.

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:

|                            | <b>Unaudited</b>          |                  |
|----------------------------|---------------------------|------------------|
|                            | <b>For the six months</b> |                  |
|                            | <b>ended 30 June</b>      |                  |
|                            | <b>2010</b>               | 2009             |
|                            | <i>HK\$'000</i>           | <i>HK\$'000</i>  |
| North America              | <b>143,765</b>            | 158,960          |
| Asia (excluding Hong Kong) | <b>956,818</b>            | 691,761          |
| Europe                     | <b>267,037</b>            | 110,802          |
| Hong Kong                  | <b>288,854</b>            | 113,847          |
|                            | <u><b>1,656,474</b></u>   | <u>1,075,370</u> |

For the six months ended 30 June 2010, revenue of approximately 32% (for the six months ended 30 June 2009: 33%) is derived from a single external customer.

## 2. SEGMENT INFORMATION (continued)

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

|                            | <b>Unaudited</b><br><b>As at</b><br><b>30 June</b><br><b>2010</b><br><i>HK\$'000</i> | <b>Audited</b><br><b>As at</b><br><b>31 December</b><br><b>2009</b><br><i>HK\$'000</i> |
|----------------------------|--|--|
| North America              | <b>196</b>   | 218  |
| Asia (excluding Hong Kong) | <b>192,936</b>   | 164,806  |
| Europe                     | <b>52</b>  | 57   |
| Hong Kong                  | <b>425,837</b>   | 244,328  |
|                            | <b>619,021</b>   | 409,409  |

Non-current assets comprise property, plant and equipment, investment properties, leasehold land and land use rights, investments in associates, investments in jointly controlled entities and available-for-sale financial assets. They exclude deferred income tax assets.

## 3. OTHER (LOSSES) / GAINS - NET

|   | <b>Unaudited</b><br><b>For the six months</b><br><b>ended 30 June</b><br><b>2010</b><br><i>HK\$'000</i> | <b>2009</b><br><i>HK\$'000</i> |
|---|---|--------------------------------|
| Gain on disposal of property, plant and equipment | <b>291</b>  | -                              |
| Loss on disposal of properties                    | -   | (2,595)                        |
| Exchange (losses) / gains, net                    | <b>(600)</b>  | 4,773                          |
| Fair value change on financial instruments, net   | <b>(310)</b>  | (523)                          |
|   | <b>(619)</b>  | 1,655                          |

#### 4. INCOME TAX EXPENSE

|                                 | <b>Unaudited</b>          |                 |
|---------------------------------|---------------------------|-----------------|
|                                 | <b>For the six months</b> |                 |
|                                 | <b>ended 30 June</b>      |                 |
|                                 | <b>2010</b>               | <b>2009</b>     |
|                                 | <b>HK\$'000</b>           | <b>HK\$'000</b> |
| Current income tax              |                           |                 |
| - Hong Kong profits tax         | <b>2,287</b>              | 2,396           |
| - Overseas taxation             | <b>4,492</b>              | 1,940           |
| Deferred income tax             | <b>4,641</b>              | (727)           |
| Over-provision in prior periods |                           |                 |
| - Current income tax            | -                         | (1,009)         |
|                                 | <b>11,420</b>             | <b>2,600</b>    |

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

#### 5. EARNINGS PER SHARE

##### (a) Basic

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

|   | <b>Unaudited</b>          |             |
|---|---------------------------|-------------|
|   | <b>For the six months</b> |             |
|   | <b>ended 30 June</b>      |             |
|   | <b>2010</b>               | <b>2009</b> |
| Profit attributable to equity holders of the Company<br>(HK\$'000)    | <b>67,458</b>             | 19,197      |
| Weighted average number of ordinary shares in issue<br>(in thousands) | <b>467,992</b>            | 466,922     |
| Basic earnings per share (HK\$)                                       | <b>0.14</b>               | 0.04        |

## 5. EARNINGS PER SHARE (continued)

### (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 has outstanding share options, which are 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.

|  | <b>Unaudited</b>          |             |
|--|---------------------------|-------------|
|  | <b>For the six months</b> |             |
|  | <b>ended 30 June</b>      |             |
|  | <b>2010</b>               | <b>2009</b> |
| Profit attributable to equity holders of the Company<br>( <i>HK\$'000</i> )                          | <b>67,458</b>             | 19,197      |
| Weighted average number of ordinary shares in issue<br>( <i>in thousands</i> )                       | <b>467,992</b>            | 466,922     |
| Adjustment for share options ( <i>in thousands</i> )   | <b>5,425</b>              | 887         |
| Weighted average number of ordinary shares for diluted<br>earnings per share ( <i>in thousands</i> ) | <b>473,417</b>            | 467,809     |
| Diluted earnings per share ( <i>HK\$</i> )   | <b>0.14</b>               | 0.04        |

## 6. 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 trade receivables by invoice date is as follows:

|              | <b>Unaudited</b><br><b>As at</b><br><b>30 June</b><br><b>2010</b><br><i>HK\$'000</i> | <b>Audited</b><br><b>As at</b><br><b>31 December</b><br><b>2009</b><br><i>HK\$'000</i> |
|--------------|--|--|
| 0 - 60 days  | <b>703,150</b>   | 458,311  |
| 61 - 90 days | <b>11,086</b>  | 35,753   |
| Over 90 days | <b>4,679</b>   | 1,176  |
|              | <hr/> <b>718,915</b> <hr/>   | <hr/> 495,240 <hr/>  |

## 7. TRADE PAYABLES

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

|              | <b>Unaudited</b><br><b>As at</b><br><b>30 June</b><br><b>2010</b><br><i>HK\$'000</i> | <b>Audited</b><br><b>As at</b><br><b>31 December</b><br><b>2009</b><br><i>HK\$'000</i> |
|--------------|--|--|
| 0 - 60 days  | <b>702,810</b>   | 423,695  |
| 61 - 90 days | <b>341</b>   | 20,134   |
| Over 90 days | <b>16,246</b>  | 14,094   |
|              | <hr/> <b>719,397</b> <hr/>   | <hr/> 457,923 <hr/>  |

## INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of HK\$0.035 per share (2009: HK\$0.01 per share) on Wednesday, 29 September 2010 to the shareholders of the Company as recorded on the register of members of the Company on Thursday, 16 September 2010.

The register of members of the Company will be closed from Tuesday, 14 September 2010 to Thursday, 16 September 2010, both days inclusive, during which period no transfer of shares shall be effected. To qualify for the interim dividend, all transfers of shares, 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 for registration no later than 4:30 p.m. on Monday, 13 September 2010.

## **REVIEW OF BUSINESS ACTIVITIES**

### **Electronic Manufacturing Service (“EMS”) and Original Design and Manufacturing (“ODM”) Divisions**

For the first six months ended 30 June 2010, the Group’s turnover increased 54% to HK\$1.66 billion in 2010 from HK\$1.08 billion in 2009. The increase was primarily the result of improved demand from our customers due to the economic recovery that began at the end of 2009. During the first half of 2010, we have experienced sales improvements across our entire customer portfolio. In particular, we have seen strong revenue growth in industrial and computer peripheral markets. Profit before income tax increased 262% to HK\$78.9 million in 2010 from HK\$21.8 million in 2009. Profit attributable to equity holders increased 251% to HK\$67.5 million in 2010 from HK\$19.2 million in 2009. The increase in profit was primarily attributable to the profit contribution from increased business volume, continued cost reduction initiatives and improved operational efficiency implemented from previous periods.

For the first six months ended 30 June 2010, in respect to the EMS Division, sales revenue increased 54% to HK\$1.65 billion from HK\$1.07 billion for the same period of 2009. The segment results attributable to EMS Division was HK\$92.0 million representing an increase of 191% as compared to HK\$31.6 million for the same period of 2009. For the ODM Division, sales revenue decreased 35% to HK\$1.9 million as compared to HK\$2.9 million for the same period of 2009. The segment loss attributable to ODM Division was HK\$7.3 million representing an increase of 48% as compared to HK\$4.9 million for the same period of 2009.

### **Property Development**

With respect to the jointly controlled entities (“JCE”) with Sun Hung Kai Properties Limited, the Group had paid its proportional share of the land premium for lease modification on one of the sites of the development project. Construction for this site is expected to start in the later part of 2010. In respect to the remaining site where Wong’s Industrial Centre is currently located, the application for the lease modification to the District Land Office is in progress and we expect the settlement will not be completed until 2011. Additionally, the demolition of Wong’s Industrial Centre on this remaining site is expected to commence in the first half of 2011.

Regarding the residential development in the mid-level property project, as at 30 June 2010, the balance due from the Mid-Levels development project was amounted to approximately HK\$9.4 million. During the first half of 2010, the project development company had sold a duplex unit together with a parking space at a cash consideration of approximately HK\$40.0 million (the Group’s interest in this project development represents 25.26%). As at 30 June 2010, there were 3 residential units remaining consisted of 2 duplexes and 1 combined units. In addition, there were 9 parking spaces which remain unsold. According to the market evaluation, the Directors expected that the balance of the amount due from the Mid-Levels development project amounting to HK\$9.4 million will be recoverable and thus no further impairment provision is necessary.

## **FINANCE**

Cash and bank balances increased to HK\$530.7 million at 30 June 2010 from HK\$470.3 million at 31 December 2009.

As at 30 June 2010, the Group had HK\$745.3 million of total banking facilities under which there was HK\$211.0 million outstanding loan. Together with other unrelated bank borrowings, the total bank loans outstanding as at 30 June 2010 were HK \$390.0 million.

As at 30 June 2010, the Group had a net cash surplus of HK\$140.6 million in excess of the bank borrowings as compared to the net cash surplus of HK\$421.4 million in excess of the bank borrowings at 31 December 2009.

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 Renminbi. Forward contracts are used to hedge foreign exchange exposures where it is necessary or practicable.

## **CAPITAL STRUCTURE**

There had been no material change in the Group's capital structure since 31 December 2009 which consists of bank borrowings, cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued share capital and reserves.

## **EMPLOYEES**

As at 30 June 2010, the Group employed approximately 6,090 employees of whom approximately 4,770 were production workers. In addition to the provision of annual bonuses, medical and life insurances, discretionary bonuses are also available 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**

Based on the current level of orders and forecast provided by our customers which are continually improving, the Group is optimistic on the revenue growth and profitability in the second half of the current year. However, despite the robust results, the Group is cautious that the recent economic recovery remains fragile, as such we will continue to find ways to expand our sales and streamline our operations.

On behalf of the Directors, I would like to sincerely thank our customers, suppliers and business partners for their continued confidence in and support to the Group. I would also like to pay a special tribute to all of our employees for their loyal, diligent and professional services to the Group.

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

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

During the six months ended 30 June 2010, the Company has complied with the code provisions of the "Code on Corporate Governance Practices" (the "Code") as set out in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviations:

### **1. Code provision A.2.1**

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; and
- (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.

## **2. Code provision A.4.1**

None of the Independent Non-executive Directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, every Director of the Company is subject to retirement by rotation 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 Code.

## **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 of the Stock Exchange. The Company has made specific inquiry with the Directors and each of them has confirmed his/her compliance with the requirements set out in the Model Code for the six months ended 30 June 2010.

## **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 unaudited interim accounts for the six months ended 30 June 2010.

## **PUBLICATION OF INTERIM RESULTS**

This results announcement is published on the Company's website at [www.wongswih.com](http://www.wongswih.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).

On behalf of the Board  
**WONG'S INTERNATIONAL  
(HOLDINGS) LIMITED**  
**WONG CHUNG MAT, BEN**  
*Chairman and Chief Executive Officer*

Hong Kong, 23 August 2010

*As at the date of this announcement, the Executive Directors of the Company are Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny, Mr. Chan Tsze Wah, Gabriel, Mr. Tan Chang On, Lawrence, Mr. Wan Man Keung, Ms. Wong Yin Man, Ada and Mr. Lam Sek Sung, Patrick; and the Independent Non-executive Directors are Dr. Li Ka Cheung, Eric, G.B.S., O.B.E., J.P., Dr. Yu Sun Say, G.B.S., J.P. and Mr. Alfred Donald Yap, J.P.*

*\*For identification purpose only*