

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 2012

The board of directors (the “Board” or “Directors”) 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 2012 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		Unaudited	
		2012	As restated (Note 1) 2011
	Note	HK\$'000	HK\$'000
Revenue	2	1,633,147	1,889,685
Other income	3	6,763	14,885
Changes in inventories of finished goods and work in progress		3,340	(33,890)
Raw materials and consumables used		(1,286,460)	(1,465,619)
Employee benefit expense		(198,794)	(192,436)
Depreciation and amortisation charges		(18,456)	(22,010)
Other operating expenses		(110,185)	(118,574)
Change in fair value of investment properties		7,500	6,010
Other (losses)/gains – net	4	(4,094)	15,362
Operating profit		32,761	93,413
Finance income		5,254	3,501
Finance costs		(3,122)	(4,226)
Share of profit of associates		–	93
Share of loss of jointly controlled entities		(49)	(178)
Profit before income tax		34,844	92,603
Income tax expense	5	(6,438)	(16,412)
Profit after tax		28,406	76,191

		Unaudited	
		2012	As restated (<i>Note 1</i>) 2011
	<i>Note</i>	HK\$'000	HK\$'000
Profit attributable to owners of the Company		28,370	76,191
Non-controlling interests		36	–
		<u>28,406</u>	<u>76,191</u>
Dividends	6	<u>11,894</u>	<u>16,550</u>
Earnings per share attributable to owners of the Company during the period			
Basic earnings per share	7	<u>HK\$0.06</u>	<u>HK\$0.16</u>
Diluted earnings per share	7	<u>HK\$0.06</u>	<u>HK\$0.16</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Unaudited	
		As restated (<i>Note 1</i>)
	2012	2011
	HK\$'000	HK\$'000
Profit for the period	28,406	76,191
Other comprehensive income:		
Currency translation differences	(14,331)	11,412
Changes in fair value of available-for-sale financial assets	41,817	–
Surplus on revaluation of property transferred from owner-occupied property to investment property	500	–
	<hr/>	<hr/>
Other comprehensive income for the period, net of tax	27,986	11,412
	<hr/>	<hr/>
Total comprehensive income for the period	56,392	87,603
	<hr/> <hr/>	<hr/> <hr/>
Attributable to:		
Owners of the Company	56,305	87,603
Non-controlling interests	87	–
	<hr/>	<hr/>
Total comprehensive income for the period	56,392	87,603
	<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Unaudited As at 30 June 2012 <i>HK\$'000</i>	Audited As restated (<i>Note 1</i>) As at 31 December 2011 <i>HK\$'000</i>
<i>Note</i>		
ASSETS		
Non-current assets		
Property, plant and equipment	257,067	263,124
Investment properties	54,600	46,600
Leasehold land and land use rights	6,615	6,832
Investments in associates	6,993	6,993
Investments in jointly controlled entities	341,751	301,008
Intangible assets	2,048	–
Available-for-sale financial assets	98,016	56,199
Deferred income tax assets	15,904	15,866
	782,994	696,622
Current assets		
Inventories	397,980	348,932
Trade receivables	751,374	804,638
Prepayments, deposits and other receivables	98,352	46,378
Amounts due from associates	27,882	27,847
Financial assets at fair value through profit or loss	2,414	–
Current income tax recoverable	4,338	1,980
Cash and cash equivalents	699,758	681,432
	1,982,098	1,911,207
Total assets	2,765,092	2,607,829

		Unaudited	Audited
			As restated
			(Note 1)
		As at	As at
		30 June	31 December
		2012	2011
	Note	HK\$'000	HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		47,577	47,308
Other reserves		568,042	536,795
Retained earnings			
– Dividends		11,894	18,979
– Others		834,663	820,584
		<u>1,462,176</u>	<u>1,423,666</u>
Non-controlling interests		(575)	(666)
Total equity		<u>1,461,601</u>	<u>1,423,000</u>
LIABILITIES			
Current liabilities			
Trade payables	9	741,318	619,419
Accruals and other payables		203,028	231,932
Amount due to an associate		3,183	3,183
Current income tax liabilities		9,465	19,437
Borrowings		346,497	310,858
Total liabilities		<u>1,303,491</u>	<u>1,184,829</u>
Total equity and liabilities		<u>2,765,092</u>	<u>2,607,829</u>
Net current assets		<u>678,607</u>	<u>726,378</u>
Total assets less current liabilities		<u>1,461,601</u>	<u>1,423,000</u>

NOTES:

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information (“Interim Financial Information”) for the six months ended 30 June 2012 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim financial report’ 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 2011, 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 instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

In December 2010, the HKICPA amended HKAS 12, ‘Income taxes’, to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

The Group has adopted this amendment retrospectively for the financial period ended 30 June 2012 and the effects of adoption are disclosed as follows.

The Group has investment properties measured at their fair values totalling HK\$46,600,000 as of 1 January 2012. As required by the amendment, the Group has re-measured the deferred tax relating to these investment properties amounting to HK\$46,600,000 according to the tax consequence on the presumption that they are recovered entirely by sale retrospectively. The comparative figures for 2011 have been restated to reflect the change in accounting policy, as summarised below.

	As at 30 June 2012 HK\$'000	As at 31 December 2011 HK\$'000
Effect on consolidated balance sheet		
Decrease in deferred tax liabilities	9,010	7,772
Increase in retained earnings	9,010	7,772
	For the six months ended 30 June 2012 HK\$'000	2011 HK\$'000
Effect on consolidated income statement		
Decrease in income tax expense	1,238	992
Increase in net profit attributable to owners of the company	1,238	992
Increase in basic earnings per share	HK0.26 cents	HK0.21 cents
Increase in diluted earnings per share	HK0.26 cents	HK0.21 cents

Except for these changes, the accounting policies applied and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2011.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2012.

HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets
HKFRS 7 (Amendment)	Disclosures – Transfers of financial assets

Standards, amendments and interpretations to existing standards effective in 2012 but not relevant to the Group:

HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters
---------------------	--

New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted.

HKAS 19 (Amendment)	Employee benefits
HKFRS 9	Financial instruments
HKFRS 10	Consolidated financial statements
HKFRS 12	Disclosures of interests in other entities
HKFRS 13	Fair value measurement

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)/gains – net, share of profit/(loss) of associates and jointly controlled entities, finance income, finance costs, 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.

For the six months ended 30 June 2012	Unaudited EMS division HK\$'000	Unaudited ODM division HK\$'000	Unaudited Total HK\$'000
Total gross revenue	1,622,055	18,733	1,640,788
Inter-segment revenue	(7,641)	–	(7,641)
External revenue	<u>1,614,414</u>	<u>18,733</u>	<u>1,633,147</u>
Segment results	<u>41,349</u>	<u>(6,297)</u>	<u>35,052</u>
Depreciation and amortisation charges	<u>16,999</u>	<u>136</u>	<u>17,135</u>
Capital expenditure	<u>12,465</u>	<u>655</u>	<u>13,120</u>

For the six months ended 30 June 2011	Unaudited EMS division <i>HK\$'000</i>	Unaudited ODM division <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Total gross revenue	1,886,771	2,914	1,889,685
Inter-segment revenue	–	–	–
External revenue	<u>1,886,771</u>	<u>2,914</u>	<u>1,889,685</u>
Segment results	<u>74,881</u>	<u>(6,072)</u>	<u>68,809</u>
Depreciation and amortisation charges	<u>20,703</u>	<u>40</u>	<u>20,743</u>
Capital expenditure	<u>14,271</u>	<u>68</u>	<u>14,339</u>
	Unaudited EMS division <i>HK\$'000</i>	Unaudited ODM division <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Reportable segment assets			
As at 30 June 2012	<u>2,059,378</u>	<u>20,995</u>	<u>2,080,373</u>
As at 31 December 2011	<u>2,009,953</u>	<u>15,450</u>	<u>2,025,403</u>

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

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

	Unaudited For the six months ended 30 June 2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Reportable segment results	35,052	68,809
Other income	6,763	14,885
Change in fair value of investment properties	7,500	6,010
Other (losses)/gains – net	(4,094)	15,362
Finance income/(costs) – net	2,132	(725)
Share of profit of associates	–	93
Share of loss of jointly controlled entities	(49)	(178)
Corporate and unallocated expenses	<u>(12,460)</u>	<u>(11,653)</u>
Profit before income tax	<u>34,844</u>	<u>92,603</u>

Reportable segments assets are reconciled to total assets as follows:

	Unaudited As at 30 June 2012 <i>HK\$'000</i>	Audited As at 31 December 2011 <i>HK\$'000</i>
Reportable segment assets	2,080,373	2,025,403
Investment properties	54,600	46,600
Investments in associates	6,993	6,993
Investments in jointly controlled entities	341,751	301,008
Available-for-sale financial assets	98,016	56,199
Deferred income tax assets	15,904	15,866
Amounts due from associates	27,882	27,847
Financial assets at fair value through profit or loss	2,414	–
Corporate and unallocated assets	137,159	127,913
Total assets per condensed consolidated balance sheet	<u>2,765,092</u>	<u>2,607,829</u>

Reconciliations of other material items are as follows:

	Unaudited For the six months ended 30 June 2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Depreciation and amortisation charges		
– Reportable segment total	17,135	20,743
– Corporate headquarters	1,321	1,267
	<u>18,456</u>	<u>22,010</u>
Capital expenditure		
– Reportable segment total	13,120	14,339
– Corporate headquarters	1,415	874
	<u>14,535</u>	<u>15,213</u>

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:

	Unaudited For the six months ended 30 June 2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
North America	212,127	183,055
Asia (excluding Hong Kong)	931,392	1,050,329
Europe	299,129	306,479
Hong Kong	190,499	349,822
	<u>1,633,147</u>	<u>1,889,685</u>

For the six months ended 30 June 2012, revenues of approximately HK\$493,208,000 (2011: HK\$603,376,000) and HK\$391,677,000 (2011: HK\$420,660,000) were derived from the top two external customers respectively. These customers individually account for 10 percent or more of the Group's revenue. These revenues are attributable to the EMS division.

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

	Unaudited As at 30 June 2012 <i>HK\$'000</i>	Audited As at 31 December 2011 <i>HK\$'000</i>
North America	1,432	949
Asia (excluding Hong Kong)	134,686	140,693
Europe	38	42
Hong Kong	630,934	539,072
	<u>767,090</u>	<u>680,756</u>

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

3. OTHER INCOME

	Unaudited For the six months ended 30 June 2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Scrap and spare parts sales	1,158	8,486
Tooling income	4,518	4,140
Sundry income	1,087	2,259
	<u>6,763</u>	<u>14,885</u>

4. OTHER (LOSSES)/GAINS – NET

	Unaudited For the six months ended 30 June 2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Fair value change on financial instruments, net	(359)	243
Gains on disposal of property, plant and equipment	70	160
Exchange losses, net	(3,805)	(374)
Write-back of trade payables	–	15,333
	<u>(4,094)</u>	<u>15,362</u>

5. INCOME TAX EXPENSE

	Unaudited	
	For the six months	
	ended 30 June	
		As restated
		(Note 1)
	2012	2011
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	1,344	5,467
– Overseas taxation	6,915	13,852
Deferred income tax	(242)	(3,481)
(Over)/under-provision in prior years		
– Current income tax	(1,525)	574
– Deferred income tax	(54)	–
	<u>6,438</u>	<u>16,412</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong.

The new Corporate Income Tax Law in the People's Republic of China increases the corporate income tax rate for foreign investment enterprises from previous preferential rates to 25% with effect from 1 January 2008. Companies established in Mainland China before 16 March 2007 and previously taxed at the rate lower than 25% may be offered a gradual increase of tax rate to 25% within 5 years. Certain subsidiaries of the Company established in Mainland China will enjoy preferential income tax rate from 2008 to 2011 and be taxed at the rate of 25% from 2012 when the preferential treatment expires.

6. DIVIDENDS

	Unaudited	
	For the six months	
	ended 30 June	
		2011
		HK\$'000
Interim dividend – HK\$0.025 (2011: HK\$0.035) per share	<u>11,894</u>	<u>16,550</u>

The Board has resolved to pay an interim dividend of HK\$0.025 per share (2011: HK\$0.035 per share) on Friday, 28 September 2012 to the shareholders whose names appear on the Register of Members of the Company on Friday, 14 September 2012.

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 period.

	Unaudited	
	For the six months	
	ended 30 June	
		As restated
		(Note 1)
	2012	2011
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>28,370</u>	<u>76,191</u>
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	<u>474,634</u>	<u>471,484</u>
Basic earnings per share (<i>HK\$</i>)	<u>0.06</u>	<u>0.16</u>

(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.

	Unaudited	
	For the six months	
	ended 30 June	
		As restated
		(Note 1)
	2012	2011
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>28,370</u>	<u>76,191</u>
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	<u>474,634</u>	<u>471,484</u>
Adjustment for share options (<i>in thousands</i>)	<u>1,859</u>	<u>4,525</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>in thousands</i>)	<u>476,493</u>	<u>476,009</u>
Diluted earnings per share (<i>HK\$</i>)	<u>0.06</u>	<u>0.16</u>

8. 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 the Group's trade receivables by invoice date is as follows:

	Unaudited As at 30 June 2012 <i>HK\$'000</i>	Audited As at 31 December 2011 <i>HK\$'000</i>
0–60 days	552,274	637,486
61–90 days	162,996	121,013
Over 90 days	36,104	46,139
	<u>751,374</u>	<u>804,638</u>

9. TRADE PAYABLES

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

	Unaudited As at 30 June 2012 <i>HK\$'000</i>	Audited As at 31 December 2011 <i>HK\$'000</i>
0–60 days	723,335	573,361
61–90 days	1,409	31,279
Over 90 days	16,574	14,779
	<u>741,318</u>	<u>619,419</u>

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK\$0.025 per share (2011: HK\$0.035 per share) on Friday, 28 September 2012 to the shareholders whose names appear on the Register of Members of the Company on Friday, 14 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 12 September 2012 to Friday, 14 September 2012, both days inclusive, during which period no transfer of shares shall be effected. To qualify for the above interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11 September 2012.

REVIEW OF BUSINESS ACTIVITIES

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

For the first six months ended 30 June 2012, the Group’s turnover was HK\$1.63 billion, decreased by 13.6% when comparing with 2011, which resulted from the continuing financial instability of Euro area and far-from-satisfactory economic recovery in US. These unfavourable factors have generally impacted our customer demand although they were firmly staying with us.

During the period, our value added (sales revenue less material cost) percentage remained on the same level as last year. However, the decreased sales volume led to the decreased profit attributable to owners of the Company from HK\$76.2 million in 2011 to HK\$28.4 million in 2012.

Following the minimum wage regulatory requirement and the shortage of labour force, our manpower cost in PRC continued to increase, which has been eroding our profit. Nevertheless, our utmost effort in up-keeping the high operational efficiency would help offset the impact of such cost increase.

For the first six months ended 30 June 2012, sales revenue of EMS Division decreased 14.4% to HK\$1.61 billion from HK\$1.89 billion for the same period of 2011. Sales revenue for Shajing factory in Shenzhen was down by 29% but the factory at Suzhou continued its growth by 13.8% as compared with 2011’s first half year. The decrease in the overall sales at EMS Division was generally across electronic products in industrial automation, energy and computer peripheral products. The segment results attributable to EMS Division was HK\$41.3 million (2011 interim: HK\$74.9 million).

For the ODM Division, sales revenue significantly increased to HK\$18.7 million, which was 6.4 times of 2011 interim. The revenue increase was mainly attributed to the sales of iCarte for Apple iPhone in Europe, South Korea, and Australia. The iCarte business started its making profit in the first half year.

However, due to research and development and pre-production cost of a new private-label-brand project, the ODM Division recorded a segment loss HK\$6 million (2011 interim: HK\$6 million loss) for the period.

Property Development

Kwun Tong project

The Group has two jointly controlled entities with Sun Hung Kai Properties Limited on the development of two sites. The Group has paid its proportional share of the land premium for lease modification on one of the sites. Construction of the first site was on schedule. In respect of the second site, the land premium is still in discussion.

Mid-level residential

The project development company sold out all the residential unit and car park spaces in the first half year.

Media Network

The Group currently has an investment in Focus Media Network Limited (“FMN”) for 18.75%, which was listed in mid-2011 on the GEM board of the Hong Kong Stock Exchange. FMN is on out-of-home digital screen network business, which is one of the fastest growing advertising sectors after the internet. FMN has extensive network at office buildings and renowned retail outlets. According to the accounting standard, its book value was adjusted through the other comprehensive income as per the market value of 30 June 2012.

FINANCE

As at 30 June 2012, the Group had HK\$1,517.2 million of total banking facilities. Total bank borrowings were HK\$346.5 million, of which a loan of HK\$29.3 million was arranged by an overseas subsidiary.

Cash and cash equivalents were HK\$699.8 million at 30 June 2012 (2011 December: HK\$681.4 million).

As at 30 June 2012, the Group had a net cash surplus of HK\$353.3 million in excess of the bank borrowings, as compared to the net cash surplus of HK\$370.5 million at 31 December 2011.

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 2011 which consists of bank borrowings, cash and cash equivalents and equity attributable to owners of the parent, comprising issued share capital and reserves.

EMPLOYEES

As at 30 June 2012, the Group employed approximately 5,300 employees of whom approximately 4,400 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.

AWARD & RECOGNITION

The Company and its wholly-owned subsidiary, Wong’s Electronics Company Limited were awarded the Caring Company Logo 2011/2012 by the Hong Kong Council of Social Service in recognition of their active participation in community activities and good corporate citizenship.

PROSPECTS

In the second half of 2012, the Group continues to face the challenges from vulnerable economic environment worldwide and labour cost increase in PRC. In addition, the Group has started its transformation process to convert Shajing’s contract-processing factory to an imported-processing wholly owned foreign enterprise in line with Shenzhen’s mandatory requirement. The transformation is expected to complete by the end of this year.

Based on the current level of orders and forecast provided by our customers, the Group's business is expected to improve in the second half of the current year in spite of US's slow economic recovery and Euro area's financial instability.

As to the iCarte business, international sales are expected to be a key driver in the second half year though PRC business development has started. The iCarte business has started making profit since early this year but will remain cautiously optimistic due to increased competition in the market.

The private-label project is still in research and development stage. It is not expected any revenue contribution in the second half of the year.

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 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2012, the Company has complied with the code provisions under the Code on Corporate Governance Practices (the "Former CG Code", effective until 31 March 2012) and the Corporate Governance Code (the "Existing CG Code", effective on 1 April 2012) 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:

Deviations from Former CG Code and Existing CG Code

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 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 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 Former CG Code and the Existing CG Code.

Deviation from Existing 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 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 six months ended 30 June 2012.

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 financial information for the six months ended 30 June 2012.

PUBLICATION OF RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.wih.com.hk/investor07.asp and the Stock Exchange's website at www.hkexnews.hk. The 2012 interim 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, 23 August 2012

As at the date of this announcement, the Executive Directors 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; the Non-executive Director is Mr. Mak King Mun, Philip; 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.

* *For identification purpose only*