WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

2007 FINAL RESULTS

WO KEE HONG (HOLDINGS) LIMITED is a holding company with major subsidiaries engaged in the import, marketing, distribution and after-sales service of high quality, branded products serving customers in the Asian region and, in particular, the markets of the People's Republic of China ("PRC") (Note), Hong Kong, Macau, Singapore and Malaysia. The products include principally cars and car accessories, motor yachts, helicopters, premium fashion apparels and accessories, air-conditioning and refrigeration products, audio-visual equipment, car audio and electronic products and property investment.

RESULTS

The Directors of Wo Kee Hong (Holdings) Limited (the "Company") are pleased to announce that the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended December 31, 2007 were as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2007

	Notes	2007 HK$'000	2006 HK$'000
Turnover	3	**1,153,201**	786,580
Cost of sales		**(938,222)**	(624,947)
Gross profit		**214,979**	161,633
Other operating income		**4,479**	16,245
Distribution costs		**(72,125)**	(55,121)
Administrative expenses		**(145,220)**	(120,198)
Gain on disposal of properties held for sale		**–**	5
Loss on disposal of investment properties		**–**	(260)
Fair value gains on investment properties		**2,022**	25,026
Reversal of write-down of properties held for sale to net realisable value		**–**	400
Profit from operations	5	**4,135**	27,730
Finance costs		**(14,355)**	(11,381)
Impairment on available-for-sale financial assets		**(6,000)**	–
Provision for guarantee		**(7,500)**	–
Loss on disposal of a subsidiary		**–**	(15,935)
Gain on disposal of subsidiaries	6	**76,021**	28,624
Loss on disposal of an associate		**(1,968)**	(9,723)
Share of results of associates		**(1,169)**	(7,777)
Profit before tax		**49,164**	11,538
Income tax expenses	7	**(6,256)**	(1,141)
Profit for the year		**42,908**	10,397
Attributable to:			
Equity holders of the Company		**35,677**	7,114
Minority interests		**7,231**	3,283
		42,908	10,397
Earnings per share of profit attributable to equity holders of the Company			
– Basic and diluted	8	**HK$0.15**	HK$0.03

CONSOLIDATED BALANCE SHEET

At December 31, 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Investment properties		**9,600**	234,918
Property, plant and equipment		**44,541**	100,479
Prepaid lease payments		**1,558**	–
Goodwill		**2,787**	2,597
Interests in associates		**–**	10,727
Available-for-sale financial assets		**30,527**	527
Deferred tax assets		**16**	4,215
		89,029	353,463
Current assets			
Inventories		**124,993**	150,477
Properties held for sale, at net realisable value		**23,400**	23,400
Trade and other receivables	*9*	**185,075**	149,440
Amounts due from associates		**14,260**	3,951
Other financial assets at fair value through profit or loss		**17**	11
Cash and cash equivalents		**363,949**	40,944
		711,694	368,223
Current liabilities			
Trade and other payables	*10*	**243,956**	163,567
Bills payables		**36,758**	45,984
Tax payables		**162**	296
Amounts due to related companies		**1,343**	6,914
Convertible loan note		**30,207**	–
Obligations under finance leases – due within one year		**936**	1,387
Borrowings – due within one year		**70,827**	122,671
		384,189	340,819
Net current assets		**327,505**	27,404
Total assets less current liabilities		**416,534**	380,867
Non-current liabilities			
Convertible loan note		**–**	29,549
Obligations under finance leases – due after one year		**168**	1,121
Borrowings – due after one year		**13,506**	11,303
Deferred tax liabilities		**6**	19,915
		13,680	61,888
Net assets		**402,854**	318,979
Capital and reserves			
Share capital		**255,314**	221,615
Reserves		**125,064**	82,361
Equity attributable to equity holders of the Company		**380,378**	303,976
Minority interests		**22,476**	15,003
Total equity		**402,854**	318,979

Notes:

1. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied, for the first time, the following of new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning January 1, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions[2]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after January 1, 2009
[2] Effective for annual periods beginning on or after March 1, 2007
[3] Effective for annual periods beginning on or after January 1, 2008
[4] Effective for annual periods beginning on or after July 1, 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively included Hong Kong Accounting Standards ("HKASs") and Interpretations (the "Interpretations") issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss (including derivative financial instruments) 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 judgement in the process of applying the Group's accounting policies.

3. Turnover

	2007	2006
	HK$'000	*HK$'000*
Sales of goods to customers, less returns and discounts	**1,071,904**	717,903
Maintenance service income	**65,866**	58,991
Rental income	**15,431**	9,686
	1,153,201	786,580

4. Business and geographical segments

Business segments

Principal activities of the Group are as follows:

Cars and car accessories	Trading of cars and related accessories and provision of car repairing services
Electrical appliances	Distribution of air-conditioning products, audio-visual equipment, including car audio, home appliances and installation of air-conditioning products
Property investment	Rental of investment properties and properties held for sale

Segment information about these businesses is presented below.

2007

	Cars and car accessories	**Electrical appliances**	**Property investment**	**Others**	**Eliminations**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Turnover						
External sales	**883,787**	**208,526**	**15,431**	**45,457**	**–**	**1,153,201**
Inter-segment sales	**–**	**110**	**–**	**–**	**(110)**	**–**
Total turnover	**883,787**	**208,636**	**15,431**	**45,457**	**(110)**	**1,153,201**
Inter-segment sales are charged at prevailing market rates.						
Results						
Segment results	**23,148**	**1,834**	**11,884**	**(6,270)**	**–**	**30,596**
Unallocated corporate expenses						**(26,461)**
Profit from operations						**4,135**
Finance costs						**(14,355)**
Impairment on available-for-sale financial assets						**(6,000)**
Provision for guarantee						**(7,500)**
Gain on disposal of subsidiaries						**76,021**
Loss on disposal of an associate						**(1,968)**
Share of result of an associate	**(1,169)**	**–**	**–**	**–**	**–**	**(1,169)**
Profit before tax						**49,164**
Income tax expenses						**(6,256)**
Profit for the year						**42,908**

2006

	Cars and car accessories *HK$'000*	Electrical appliances *HK$'000*	Property investment *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover						
External sales	550,632	225,379	9,686	883	–	786,580
Inter-segment sales	–	948	–	–	(948)	–
Total turnover	550,632	226,327	9,686	883	(948)	786,580
Inter-segment sales are charged at prevailing market rates.						
Results						
Segment results	13,872	4,653	25,735	(3,600)	–	40,660
Negative goodwill						8,008
Unallocated corporate expenses						(20,938)
Profit from operations						27,730
Finance costs						(11,381)
Loss on disposal of a subsidiary						(15,935)
Gain on disposal of a subsidiary						28,624
Loss on disposal of an associate						(9,723)
Share of results of associates	2,785	(10,562)	–	–	–	(7,777)
Profit before tax						11,538
Income tax expenses						(1,141)
Profit for the year						10,397

Geographical segments

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, PRC and Macau. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

	Turnover by geographical market		**Contribution to operating results**	
	2007 ***HK$'000***	2006 *HK$'000*	**2007** ***HK$'000***	2006 *HK$'000*
Hong Kong	**980,599**	675,901	**23,947**	34,879
Singapore	**69,539**	57,222	**1,999**	1,811
Malaysia	**33,532**	29,659	**1,727**	1,879
PRC	**57,017**	9,359	**(1,954)**	(6,260)
Macau	**11,175**	12,567	**280**	83
Others	**1,339**	1,872	**118**	31
	1,153,201	786,580	**26,117**	32,423
Other operating income			**4,479**	16,245
Unallocated corporate expenses			**(26,461)**	(20,938)
Profit from operations			**4,135**	27,730

5. Profit from operations

	2007	2006
	HK$'000	*HK$'000*
Profit from operations has been arrived at after charging:		
Auditors' remuneration	**915**	3,012
Cost of inventories recognised as expenses (included write-down of inventories to net realisable value of approximately HK$1,029,000 (2006: HK$1,083,000))	**938,222**	624,947
Amortisation of prepaid lease payments	**5**	–
Depreciation of:		
Owned assets	**9,871**	8,582
Assets held under finance leases	**883**	454
Staff costs, including Directors' emoluments	**88,749**	68,222
Operating lease rental in respect of land and buildings	**15,916**	10,925
Loss on disposal of property, plant and equipment	**–**	9
Fair value losses:		
Other financial assets at fair value through profit or loss	**–**	9
Derivative financial instruments	**–**	57
Share-based payment expenses	**2,153**	–
and crediting:		
Interest income	**1,922**	348
Foreign exchange differences, net	**593**	769
Fair value gains:		
Other financial assets at fair value through profit or loss	**6**	–
Derivative financial instruments	**57**	–
Gain on disposal of property, plant and equipment	**444**	–

6. Gain on disposal of subsidiaries

On September 13, 2007, Wo Kee Hong (B.V.I.) Limited ("WKH BVI"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement that WKH BVI agreed to sell the entire issued share capital of Wo Kee Hong Estates Limited ("WKH Estates") and Ever Rising Investments Limited ("Ever Rising"), two wholly-owned subsidiaries of WKH BVI for a total consideration of HK$373,000,000. Pursuant to the sale and purchase agreement, WKH BVI and the purchaser shall agree to the adjustments on assets and liabilities of WKH Estates and Ever Rising which is determined by reference to the balance sheets of WKH Estates and Ever Rising. The adjusted liabilities exceed the adjusted assets by approximately HK$15,387,000 and the resulting net consideration received by WKH BVI was approximately HK$357,613,000. The disposal was completed on November 29, 2007 and the transaction costs incurred was approximately HK$4,718,000. The gain of such disposal was approximately HK$76,021,000.

7. Income tax expenses

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit arising in Hong Kong for the year.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

	2007	2006
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**2,058**	76
Overseas income tax	**193**	217
	2,251	293
Deferred tax:		
Current year	**4,005**	848
Income tax expenses attributable to the Company and its subsidiaries	**6,256**	1,141

8. Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company of approximately HK$35,677,000 (2006: HK$7,114,000) and on the weighted average number of 233,898,682 (2006: 221,615,433) ordinary shares in issue during the year.

Diluted earnings per share for the years ended December 31, 2007 and 2006 were the same as the basic earnings per share. The Company's outstanding share options and convertible loan notes were not included in the calculation of diluted earnings per share because the effects of the Company's outstanding share options and convertible loan note were anti-dilutive.

9. Trade and other receivables

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**130,118**	122,565
Less: Allowance for doubtful debts	**(4,832)**	(5,731)
Total trade receivables, net of allowance for doubtful debts	**125,286**	116,834
Deposits, prepayments and other receivables	**59,789**	32,606
	185,075	149,440

The following is an aged analysis of trade receivables net for allowance of doubtful debts at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**82,794**	93,422
31 to 60 days	**18,699**	14,405
61 to 90 days	**6,048**	3,999
91 days to 1 year	**16,396**	3,492
Over 1 year	**1,349**	1,516
Total	**125,286**	116,834

The Group allows an average credit period of 7 to 90 days to its customers.

The fair values of the Group's trade and other receivables at December 31, 2007 approximate to the corresponding carrying amounts.

10. Trade and other payables

The following were an aged analysis of trade payables at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**7,995**	7,518
31 to 60 days	**3,111**	3,314
61 to 90 days	**8,953**	4,832
91 days to 1 year	**1,410**	3,312
Over 1 year	**2,314**	543
Total trade payables	**23,783**	19,519
Derivative financial instruments	**–**	57
Customers' deposits, accruals and other payables	**220,173**	143,991
	243,956	163,567

The fair values of the Group's trade and other payables at December 31, 2007 approximate to the corresponding carrying amounts.

DIVIDENDS

The Directors do not recommend the payment of a final dividend (2006: nil) for the year ended December 31, 2007. No interim dividend was paid during the year (2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

RESULTS OF OPERATIONS

Turnover

For the year ended December 31, 2007, Group turnover recorded a nine-year high of HK$1,153.2 million, a significant growth of 46.6%, compared to HK$786.6 million last year. For all major business segments, we were able to maintain an upsurge, highlighted by the robust growth of our car operations in particular.

Gross Profit

Our gross profit margin decreased by 1.9% from 20.5% last year to 18.6% this year whilst our gross profit contribution increased by HK$53.4 million to HK$215.0 million (2006: HK$161.6 million). This erosion of profit margin was mainly due to the increase in product costs of cars during the reporting year.

Distribution Costs and Administrative Expenses

Distribution costs were up by 30.9% to HK$72.1 million (2006: HK$55.1 million), due mainly to the corresponding increase in turnover.

The increase in administrative expenses of HK$25.0 million from HK$120.2 million of last year to HK$145.2 million this year is, again, mainly attributed to the corresponding increase in turnover as well as additional staff and related cost incurred in the course of our preparation of new and impending business.

Profit from Operations

The Board is pleased to report that profit from operations was HK$4.1 million (2006: HK$27.7 million). This was less than 2006 due to a considerable amount of fair value gain of HK$25.0 million (2007: HK$2.0 million) on investment properties having been included in the profit of 2006.

Finance costs increased by HK$3.0 million from HK$11.4 million to HK$14.4 million due to the need of more funding to fuel the expanded business as well as to invest in capital expenditure of new business during the reporting period.

We have made due impairment of HK$6.0 million (2006: Nil) on our 10% investment in Digital Outdoor Television (Hong Kong) Limited, which is at its development stage and has yet to build its revenue base in the coming year.

A HK$7.5 million (2006: Nil) provision was made for a guarantee arising from our obligations in respect of the agreement to dispose of an associate signed in June 2006. We do not expect any material additional claim to emerge after this provision.

The disposal of two wholly-owned subsidiaries resulted in a significant gain of HK$76.0 million (2006: HK$28.6 million) attributable to the profit of this year.

Upon disposal of the 29% investment in our associate company in Shanghai, a small loss of HK$2.0 million (2006: HK$9.7 million) was recorded in this year. Our share of the loss incurred by the same associate was booked at HK$1.2 million (2006: HK$7.8 million) for this year.

Profit Attributable to Shareholders

The board is pleased to deliver an increased profit attributable to shareholders of HK$35.7 million (2006: HK$7.1 million) as a result of our increased turnover and gain on disposal of two subsidiaries. We are cautiously optimistic of a continuing growth of our sales across all the major business segments, especially the car and fashion business.

Financial Conditions

The Group was financed by a combination of its equity capital base, cash flow generated from operations and bank borrowings. As usual, bank and other liabilities were being met upon their maturities in the normal course of business.

Cash and cash equivalents at December 31, 2007 were HK$363.9 million (2006: HK$40.9 million). The disposal of the two subsidiaries at the end of November 2007 contributed to the high cash level at year end. Moreover, the cash generated from operating activities was approximately HK$53.9 million compared with a cash outflow of HK$32.2 million in 2006. This reflected the strong ability of the Group to generate or raise funds as and when required.

The Group had total borrowings at December 31, 2007 amounting to HK$84.3 million (2006: HK$134.0 million). The Group's long term gearing ratio stood at 3.6% (2006: 13.8%), based on non-current liabilities (excluding deferred tax) of HK$13.7 million (2006: HK$42.0 million) and shareholders' equity of HK$380.4 million (2006: HK$304.0 million). The current ratio was 1.9 (2006: 1.1), based on current assets of HK$711.7 million (2006: HK$368.2 million) and current liabilities of HK$384.2 million (2006: HK$340.8 million).

It is the Group's management practice to hedge foreign currency transactions with the objective to stabilize the cost via the pegging of the exchange rates with bankers. Accordingly, the Group was not exposed to material fluctuations in exchange rates and related hedges during the year under review. At December 31, 2007 the total outstanding foreign exchange contracts purchased with banks amounted to HK$11.1 million (2006: HK$7.0 million).

The Group had trading facilities at December 31, 2007 amounting to HK$274.2 million (2006: HK$288.8 million) of which HK$150.2 million (2006: HK$186.1 million) was utilised. Certain of the Group's properties, inventories, cash deposits and all assets of a subsidiary were pledged at year ended 2007 in an aggregate amount of HK$156.5 million (2006: HK$385.1 million) to secure facilities granted by our bankers.

At December 31, 2007, the Group had contingent liabilities of approximately HK$3.5 million (2006: HK$11.0 million) in respect of a bank guarantee issued by a subsidiary to the purchaser of the disposed associate in Jiangmen. At December 31, 2006, the Group had contingent liabilities of approximately HK$1.2 million in respect of proceedings involving a subsidiary in India. As the subsidiary was disposed of during the year, there were no such contingent liabilities at December 31, 2007.

BUSINESS REVIEW

Car & Car Accessories

The business consists mainly of the import, sale, distribution and after-sale services of Italian "Ferrari", "Maserati" and "Alfa Romeo" cars and spare parts in Hong Kong and Macau together with the retailing of "Ferrari" and "Maserati" cars by our subsidiary in Dalian, PRC.

Sales increased by 60.5% to HK$883.8 million (2006: HK$550.6 million), driven by very strong "Ferrari" and "Maserati" sales with the addition of "Alfa Romeo" sales for the full year. Despite the first year losses incurred by the "Alfa Romeo" distribution, the car business made a substantial profit contribution to the Group during 2007.

It was our honour to celebrate "Ferrari's" 60th Anniversary in Hong Kong, with a spectacular parade in the city which concluded with a glamorous gala dinner.

Good support from the "Ferrari" factory resulted in an increased allocation of cars for the strong Hong Kong market. The F430 and Spider models continued to perform very well with a strong order book; the 599 GTB Fiorano also did exceptionally well with many delivered to our customers during the year. All these models enjoy very strong order portfolios. We also launched the latest "Ferrari" model, the "430 Scuderia", in the second half of 2007 and it became an instant success with many orders collected.

We had a very good year with "Maserati" car sales in the year, with the introduction of the new Quattroporte Automatic in the first half of the year and the amazing GranTurismo towards the end of the year. Both were very well received by our customers with many orders placed.

The Group also opened the first “Alfa Romeo” 3S Centre in Hong Kong, which demonstrated our high commitment to this brand. 2007 was a year of investment and we shall work diligently to achieve good sales growth in 2008.

Motor Yachts

The business consists of import, sale and distribution of the Italian “Ferretti” motor yachts in PRC and the leading Taiwanese “Horizon” motor yachts in Hong Kong, Macau and PRC. During the year, we opened a well-positioned “Horizon” showroom in Hong Kong. Representative offices will also be set up in various coastal cities of China to promote the two brands. Sales started to pick up in the second half of the year and we expect strong sales growth and profit contribution from this business in 2008.

In January 2008, we were very honoured to be appointed in principle, as the exclusive distributor of “Ferretti” luxurious motor yachts for the whole of PRC, in addition to the southern Territories, held by the Group before. We are confident that this unification of distribution of “Ferretti” motor yachts under our Group will generate further sales growth and achieve greater efficiency in sales and service support.

The Group is also the licensee and has exclusive right to design, manufacture, sell and distribute the American “Playboy” brand of motor yachts in Hong Kong, Macau, PRC and Taiwan.

Fashion and Accessories

The business consists of the import, distribution, sub-licensing and retailing of several fashion brands including Italian “John Richmond”, “Richmond “X””, “Richmond Denim” and “Sweet Years”. These are premium brands with high potential in our markets, ranging from high-class fashion to designer casual wear. One mono brand shop each of “Richmond “X”” and “Sweet Years” was opened in Hong Kong at the end of 2007; new shops for these two brands will be opened in Hong Kong as well as other major Chinese cities like Beijing and Shanghai in 2008 and beyond.

The Group is also licensed to make American “Playboy” branded female intimate and swim wears; several sales counters were established in major department stores. More are planned to be set up in the coming years.

As the Hong Kong and PRC luxury markets continue to grow with a fast pace, sales growth and high profit margins are expected in the future. The Group put together a very strong and experienced team to develop this new business. More lifestyle fashion and accessories brands are in progressive discussion with the Group on imports and distribution of their products in our markets, and these co-operations may involve the setting up of joint ventures.

In January 2008, the Group was appointed as the exclusive distributor of prestigious Italian “Marina Yachting” sports clothings in Hong Kong, Macau, PRC and Taiwan for five years up to the spring/summer season of 2013. This appointment is extendable for another 5 years subject to mutual agreement.

Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliance products from four major brands, namely, "MHI" (Mitsubishi Heavy Industries of Japan), "Frigidaire", "GREE" and "Bodysonic", and audio-visual products of our own, "Rogers" and "Bodysonic"; audio-visual products of Japan, "Denon" and "Marantz" and car electronics of Japan, "Alpine". The product ranges are well placed in the market to suit the needs of different market segments. They include high quality residential and commercial air-conditioning equipment, electrical home appliances like refrigerators, freezers, washing machines, wine coolers and car electronics products like CD players, DVD players and monitors.

Sales dropped by 7.5% as a result of our planned scaling back of the audio-visual business; the home and commercial electrical appliances sales remained stable with consistent margins. As a whole, this business sector of the Group continued to be profitable. This was the result of the successful implementation of cost rationalisation.

"MHI" air-conditioners continued to command a leading market position and we expect the booming property markets in Hong Kong and Macau will provide good business potential. The "Frigidaire" wine coolers business made a good increase as wine drinking as a lifestyle continued to gain popularity.

The "Alpine" car entertainment business had a good year as iPod compatible systems were introduced.

Our British "Rogers" brand just celebrated its 60th Anniversary. We are re-focusing this brand on creating high quality audio speakers and amplifiers for the future. An international network of distributors is being appointed by the Group to develop the "Rogers" brand with local expertise in each of these markets.

Property Investment

During the year, two wholly owned subsidiaries engaged in property investment were disposed at a cash consideration of HK$373.0 million. A one-off gain of HK$76.0 million was recorded.

DOTV

In August 2007, the Group acquired 10% indirect interest in Digital Outdoor Television (Hong Kong) Limited ("DOTV") at a consideration of HK$36.0 million. The consideration was satisfied by the issue of 31,266,284 new shares representing approximately 12.25% of the then issued share capital of the Company. DOTV is principally engaged in the business of the provision of outdoor media advertising and broadcasting network. Its TV network spreads over 150 locations, including restaurant chains, record stores and computer arcades, with a daily coverage of over 1,000,000 high spending young adult in Hong Kong. In early 2008, DOTV is the first and only outdoor media company to bring TVB's high-definition content from household to outdoor. With a strong growth in advertising income, DOTV is expected to see an operational break even in the coming year. As the business is still at its development stage, a prudent provision of HK$6.0 million is made at the year end under review.

PERSONNEL

At the end of 2007, the total number of employees of the Group, excluding associates, was 407 (2006: 365), representing an 11.5% increase in headcount. This is mainly due to the expansion of our car business group and the set-up of new business units for distribution of prestigious branded fashion and accessories businesses.

The management is committed to staff motivation and training to ensure that our employees remain stable and yet be competitive and dynamic in the marketplace. All our staff are trained to understand and appreciate the specific needs of customers and to provide quality services. With the continued expansion in PRC and in the direction of securing more luxurious brands for distribution, we encouraged offices to recruit local staff. Together with the continuous organisational improvements led by our committed management team, we are confident that the business and our employees will grow together for the benefit of the Group in the years to come.

SUBSEQUENT EVENTS

Acquisition of the Entire Issued Share Capital in Sunny Villa Holdings Limited and the Shareholder's Loan

On 18 January 2008, Wo Kee Hong (B.V.I.) Limited, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Mr. Richard Man Fai LEE, the Executive Chairman and Chief Executive Officer of the Company, pursuant to which Wo Kee Hong (B.V.I.) Limited agreed to acquire the entire issued share capital in Sunny Villa Holdings Limited and the shareholder's loan at an aggregate consideration of HK$4.3 million. Sunny Villa Holdings Limited is a property investment company holding nine units on the 7th floor of a residential building known as Block A, Carlton Heights in Shenzhen, PRC. The transaction was completed on January 28, 2008.

Proposed Capital Reorganisation and Bonus Share Issue

Your Board proposes to put forward a proposal to the shareholders to effect the capital reorganisation which will involve, inter alia, the reduction of the nominal value of each share in issue from HK$1.00 to HK$0.10 by cancelling paid up capital to the extent of HK$0.90 for each issued share.

Subject to the capital reorganisation becoming effective, the Board also proposes a bonus share issue on the basis of one (1) bonus share of HK$0.10 for every five (5) adjusted shares of HK$0.10 each held by the shareholders whose names appear on the register of members of the Company on April 30, 2008.

Proposed Refreshment of the Scheme Limit Under The 2002 Share Option Scheme

The Board also proposes to refresh the scheme limit under the 2002 Share Option Scheme of the Company.

A circular containing, inter alia, details of the capital reorganisation, the bonus share issue and the refreshment of the scheme limit under the 2002 Share Option Scheme, together with the notice of a special general meeting to be held on April 30, 2008, will be despatched to the shareholders as soon as practicable.

PROSPECTS

Looking forward, the management is confident of the continuous growth of the markets in which we operate, particularly in Hong Kong, PRC and Singapore.

This is an especially encouraging time for the retail sectors and the Group foresees very strong growth in lifestyle consumer products, ranging from imported fashion brands to luxury motor yachts.

The Group is working very closely with our associated company, China Premium Lifestyle Enterprise, Inc., a U.S. company listed on the Over-The-Counter Bulletin Board, to develop these kinds of lifestyle businesses in Asia. We expect to achieve very high growth in both our fashion and motor yacht operations. The profit potential of these businesses will be very lucrative. Brand building will be complemented by extensive retail network formation in our markets, especially in Hong Kong and PRC.

We will work on sales and profit growth of the motor car business, which is enjoying a continuous build up of a healthy waiting list with confirmed customers' orders. Several major fashion and premium products brands will also join us in 2008 to develop our mutual businesses in our markets. Effectively a growing platform of lifestyle products will materialize this year and we will prime ourselves to be an innovative market developer in very unique segments of the retail markets.

We shall also start marketing activities of our very high-end "Agusta Westland" helicopters this year. This is a rapidly growing sector with the increase in air traffic between Hong Kong, Macau and, potentially, PRC.

Ongoing cost rationalisation will continue to lower the operational expenses relative to sales in order to increase profit.

The electrical appliance and audio-visual businesses will go through re-engineering to increase sales and profits this year.

We are confident that we can achieve impressive growth in all our business sectors this year and build sustainable operations in the growing lifestyle business in the Asian region at the same time.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities during the year.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the year ended December 31, 2007, except in relation to the separation of the role of chairman and chief executive officer under the code provision A.2.1.

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Richard Man Fai LEE is the Executive Chairman and Chief Executive Officer. The Board considers that this structure will not impair the balance of power and authority between the Board and the management. This is because the Board has adopted clear guideline as to the power and authority of the Board and the management. There is a guideline as to the power and duties of Chief Executive Officer. In addition, the Board which comprises experienced and high caliber individuals meets regularly to discuss issues and operation of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently.

AUDIT COMMITTEE REVIEW

The audit committee has reviewed the audited financial statements of the Group for the year ended December 31, 2007 including the accounting principles and practices adopted by the Group, and discussed the internal control and financial reporting matters during the review.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on April 30, 2008. For details of the Annual General Meeting, please refer to the Notice of Annual General Meeting, which is expected to be despatched on or about April 7, 2008.

By order of the Board
WO KEE HONG (HOLDINGS) LIMITED
Richard Man Fai LEE
Executive Chairman and Chief Executive Officer

Hong Kong, March 28, 2008

As at the date of this announcement, the Board comprises of Mr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE, Mr. Tik Tung WONG and Mr. Waison Chit Sing HUI, all of whom are Executive Directors, Ms. Kam Har YUE, who is a Non-executive Director, Mr. Boon Seng TAN, Mr. Raymond Cho Min LEE and Mr. Ying Kwan CHEUNG, all of whom are Independent Non-executive Directors.

Copies of the result announcement can be obtained from the principal office in Hong Kong. The 2007 Annual Report and Accounts will be sent to shareholders on or about April 7, 2008.

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Note: For the sole purpose of this announcement, PRC excludes Hong Kong and Macau Special Administrative Regions and Taiwan.