WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

ANNUAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

The Board of Directors of Wong's Kong King International (Holdings) Limited (the "Company") has the pleasure in presenting the following audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December 2007, together with comparative figures for last year as follows :

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	Notes	**2007** **HK$'000**	2006 HK$'000
Turnover	*2*	**4,538,540**	5,011,863
Investment income	*4*	**8,531**	7,946
Changes in inventories of finished goods and work in progress		**(62,247)**	(39,671)
Raw materials and consumables used		**(1,949,423)**	(2,317,695)
Purchases of finished goods		**(1,555,734)**	(1,562,648)
Employee benefit expenses		**(446,422)**	(396,876)
Depreciation and amortisation expenses		**(64,500)**	(61,241)
Other operating expenses		**(267,762)**	(243,753)
Finance costs	*5*	**(29,454)**	(36,383)
Tax on dividend declared by a Taiwan subsidiary		**(6,303)**	(6,182)
Write-back (recognition of) impairment loss recognised in respect of properties		**15,532**	(15,682)
Share of results of jointly controlled entities		**(1,095)**	–
Share of results of associates		**(460)**	(564)
Profit before tax		**179,203**	339,114
Income tax expense	*6*	**(57,174)**	(67,717)
Profit for the year	*7*	**122,029**	271,397
Attributable to:			
Equity holders of the Company		**108,523**	250,093
Minority interests		**13,506**	21,304
		122,029	271,397
Dividends	*8*	**29,488**	10,622
Earnings per share			
Basic	*9*	**15.09 cents**	35.78 cents
Diluted		**14.65 cents**	34.59 cents

CONSOLIDATED BALANCE SHEET

AT 31ST DECEMBER 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment		**646,631**	629,667
Prepaid lease payments – due after one year		**15,831**	13,132
Interests in associates		**3,343**	3,730
Interests in jointly controlled entities		**2,360**	216
Available-for-sale investments		**42,786**	41,750
Amount due from an investee company		**1,444**	1,444
Deferred tax assets		**2,114**	4,798
		714,509	694,737
Current assets			
Inventories		**587,536**	495,489
Prepaid lease payments – due within one year		**437**	353
Trade and other receivables	*10*	**1,050,750**	993,603
Deposits and prepayments		**21,805**	24,260
Tax recoverable		**3,260**	1,701
Pledged bank deposits		**–**	267
Bank balances and cash		**244,863**	218,497
		1,908,651	1,734,170
Current liabilities			
Trade and other payables	*11*	**873,723**	739,244
Tax liabilities		**8,183**	42,089
Bank borrowings – due within one year		**344,874**	359,609
Obligations under finance leases – due within one year		**350**	3,454
Bank overdraft – secured		**7,477**	5,831
		1,234,607	1,150,227
Net current assets		**674,044**	583,943
Total assets less current liabilities		**1,388,553**	1,278,680
Capital and reserves			
Share capital		**73,610**	70,810
Reserves		**1,102,663**	989,434
Equity attributable to equity holders of the Company		**1,176,273**	1,060,244
Minority interests		**67,309**	73,174
Total equity		**1,243,582**	1,133,418
Non-current liabilities			
Deferred tax liabilities		**634**	428
Bank borrowings – due after one year		**142,000**	142,500
Obligations under finance leases – due after one year		**94**	372
Retirement benefit obligations		**2,243**	1,962
		144,971	145,262
		1,388,553	1,278,680

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

In the current year, the Company and its subsidiaries (collectively referred as the "Group") has applied, for the first time, a number of new standard, amendment and interpretations ("new HKFRSs") issued by HKICPA, which are effective for the Group's financial year beginning on 1st January 2007. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting period have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new and revised standards, amendment or interpretations that have been issued but are not yet effective for the Group's current financial year. The directors of the Company anticipate that the application of these new and revised standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions – trading and manufacturing. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Trading – trading and distribution of chemicals, materials and equipment used in the manufacture of printed circuit boards and electronic products

Manufacturing – manufacturing of electrical and electronic products

For the year ended 31st December 2007

	Trading *HK$'000*	Manufacturing *HK$'000*	Other *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover					
External sales	2,077,735	2,414,052	46,753	–	4,538,540
Inter-segment sales	56,694	2,214	27,052	(85,960)	–
Total	2,134,429	2,416,266	73,805	(85,960)	4,538,540
Result					
Segment result	134,609	106,294	(17,920)	(22,000)	200,983
Finance costs	(15,746)	(35,666)	(42)	22,000	(29,454)
	118,863	70,628	(17,962)	–	171,529
Tax on dividend declared by a Taiwan subsidiary	(6,303)	–	–	–	(6,303)
Write-back of impairment loss recognised in respect of properties	–	15,532	–	–	15,532
Share of results of jointly controlled entities	(1,095)	–	–	–	(1,095)
Share of results of associates	(460)	–	–	–	(460)
Profit before tax					179,203
Income tax expense					(57,174)
Profit for the year					122,029

Inter-segment sales are charged at prevailing market rates.

For the year ended 31st December 2006

	Trading *HK$'000*	Manufacturing *HK$'000*	Other *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover					
External sales	2,100,170	2,870,419	41,274	–	5,011,863
Inter-segment sales	100,537	2,154	24,213	(126,904)	–
Total	2,200,707	2,872,573	65,487	(126,904)	5,011,863
Result					
Segment result	197,446	229,489	(9,584)	(19,426)	397,925
Finance costs	(12,885)	(42,737)	(187)	19,426	(36,383)
	184,561	186,752	(9,771)	–	361,542
Tax on dividend declared by a Taiwan subsidiary	(6,182)	–	–	–	(6,182)
Impairment loss recognised in respect of properties	(150)	(15,532)	–	–	(15,682)
Share of results of associates	(564)	–	–	–	(564)
Profit before tax					339,114
Income tax expense					(67,717)
Profit for the year					271,397

Inter-segment sales are charged at prevailing market rates.

Geographical Segments

The Group's operations are located in Hong Kong, other regions in the People's Republic of China (the "PRC"), South East Asia, Europe and America. The Group's trading divisions are located in Hong Kong, PRC and South East Asia. Manufacturing of industrial products is carried out in the PRC.

The following table provides an analysis of the Group's turnover by geographic market, irrespective of the origin of the goods or services:

	Sales revenue by geographical market	
	2007	2006
	HK$'000	*HK$'000*
Hong Kong	**844,968**	815,833
PRC	**1,551,337**	1,579,275
South East Asia	**1,007,197**	1,140,841
Europe	**467,569**	486,645
America	**667,469**	987,210
Others	**–**	2,059
	4,538,540	5,011,863

3. TURNOVER

Turnover represents the amounts received and receivable for goods sold and services provided by the Group to outside customers, net of return, allowances, discounts and sales related taxes, and others, and is analysed as follows:

	2007	2006
	HK$'000	*HK$'000*
Sales of goods	**4,449,046**	4,919,347
Commission income	**19,688**	20,861
Service fee income	**44,052**	47,209
Ticketing and touring income	**25,725**	24,430
Others	**29**	16
	4,538,540	5,011,863

4. INVESTMENT INCOME

	2007	2006
	HK$'000	*HK$'000*
Interests on:		
– bank deposits	**4,433**	3,165
– overdue receivables	**–**	77
Total interest income	**4,433**	3,242
Dividends from available–for–sale investments	**4,098**	4,704
	8,531	7,946

5. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interests on:		
– bank loans and overdrafts wholly repayable within five years	**29,289**	35,875
– finance leases	**51**	407
– other	**114**	101
Total borrowing costs	**29,454**	36,383

6. INCOME TAX EXPENSE

	2007	2006
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Hong Kong	**14,728**	38,772
Other jurisdictions	**11,618**	18,589
	26,346	57,361
Under provision in prior years		
Hong Kong	**27,938**	8,115
Other jurisdictions	**–**	–
	27,938	8,115
Deferred tax	**2,890**	2,241
	57,174	67,717

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

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In March 2007, the PRC government announced for a united tax rate arrangements among different types of PRC entities which results in a reduction of income tax rate from 33% to 25% with effect from 1st January 2008.

7. PROFIT FOR THE YEAR

	2007	2006
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Depreciation on:		
– owned assets	**64,036**	59,926
– assets held under finance leases	**28**	743
	64,064	60,669
Amortisation of prepaid lease payments	**437**	353
Auditors' remuneration		
– current year	**2,290**	1,156
– under provision in previous years	**–**	8
Bad debts written off	**388**	–
Net foreign exchange gains	**(9,767)**	(2,883)
(Reversal of) allowance for inventories	**(373)**	2,619
Write-back of impairment loss recognised in respect of trade and other receivables	**(556)**	(2,894)
Cost of inventory recognised as expenses	**3,567,404**	3,920,014
(Write-back) recognition of impairment loss recognised in respect of medium-term leasehold factory premises in the PRC	**(15,532)**	15,532
Impairment loss recognised in respect of freehold land and buildings in overseas	**–**	150
Contributions to retirement benefits schemes including the contributions for the directors	**6,611**	5,828
Loss (gain) on disposal of property, plant and equipment	**1,463**	(237)

8. DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Ordinary shares:		
Interim dividend, paid: HK$0.015 (2006: HK$0.015) per share	**11,005**	10,622
Final dividend: HK$0.025 (2006: Nil) per share	**18,483**	–
	29,488	10,622

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2007	2006
	HK$'000	*HK$'000*
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to equity holders of the Company)	**108,523**	250,093

	Number of shares	
	2007	2006
Weighted average number of ordinary shares for the purposes of basic earnings per share	**719,042,544**	699,012,493
Effect of dilutive potential ordinary shares:		
Share options	**21,965,168**	24,013,561
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**741,007,712**	723,026,054

10. TRADE AND OTHER RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**1,082,310**	1,017,425
Less: accumulated impairment	**(44,032)**	(44,588)
	1,038,278	972,837
Other receivables	**12,472**	20,766
Total trade and other receivables	**1,050,750**	993,603

The Group allows an average credit period of 30 days-180 days to its trade customers. In addition, for certain customers with long–established relationship, a longer credit period is granted. The following is an aged analysis of trade receivables net of impairment losses at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
0 to 30 days	**745,616**	661,004
31 to 60 days	**103,395**	139,341
61 to 90 days	**59,250**	52,173
Over 90 days	**130,017**	120,319
	1,038,278	972,837

The following is an aged analysis of past due but not impaired at the balance sheet date:

	2007	2006
	HK$'000	*HK$'000*
Neither past due nor impaired	**756,159**	676,711
0 to 30 days	**122,478**	110,918
31 to 60 days	**50,936**	79,207
61 to 90 days	**39,927**	41,931
Over 90 days	**68,778**	64,070
	1,038,278	972,837

For receivables from certain customers, the amounts are settled by installments which are mutually determined and agreed by the relevant parties.

At each of the balance sheet date, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision was recognised. The movement in the provision for impairment of trade receivables is as follows:

	2007	2006
	HK$	*HK$*
At 1st January	**44,588**	47,482
Impairment loss recognised during the year	**166**	–
Write-back of impairment loss recognised to the consolidated income statement	**(722)**	(2,894)
At 31st December	**44,032**	44,588

11. TRADE AND OTHER PAYABLES

	2007	2006
	HK$'000	*HK$'000*
Trade payables	**702,283**	523,544
Other payables	**171,440**	215,700
Total trade and other payables	**873,723**	739,244

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

	2007	2006
	HK$'000	*HK$'000*
0 to 30 days	**595,709**	359,356
31 to 60 days	**34,971**	27,712
61 to 90 days	**22,074**	12,000
Over 90 days	**49,529**	124,476
	702,283	523,544

DIVIDEND

The Board of Directors recommends a final dividend of HK$0.025 per share be paid in respect of the year ended 31st December 2007. The proposed final dividend will be payable on Friday, 13th June 2008, subject to approval at the Annual General Meeting, to shareholders whose names appear on the Register of Members of the Company on Monday, 26th May 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 21st May 2008 to Monday, 26th May 2008, both days inclusive, during which period no transfer of shares can be effected. To qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrars, Tricor Standard Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20th May 2008.

BUSINESS REVIEW

The Group's turnover and profit attributable to shareholders for the year 2007 was HK$4.5 billion and HK$108.5 million respectively, reflecting a decrease of approximately 9% and 57% compared to last year.

Trading and Distribution Division (WKK Distribution)

The Trading and Distribution Division registered sales of HK$2.08 billion for the year 2007, representing only a slight decrease of approximately 1% compared to last year as a result of the good performance in the second half of this year. However, the operating profit for the year reduced by approximately 36% compared to last year, mainly due to the pressure on profit margins under the tough market conditions. Although the revenue of trading operations in the PRC and Taiwan has increased slightly as compared to last year, the profits attributable to the trading operations in these areas have dropped as compared to 2006. In contrast, the profits attributable to the trading operations in Thailand and Singapore have improved as compared to last year. In respect of the Division's operations in Hong Kong, the revenue of trading of printed circuit board related products has increased slightly, but the revenue of trading of other industrial products has dropped as compared to 2006.

OEM Manufacturing Division (WKK Technology)

The turnover of the OEM Manufacturing Division was HK$2.4 billion for the year 2007, reflecting a drop of 16% compared to 2006. Although more orders were secured in the second half of 2007 compared to the first half, rising wages for workers in the PRC and the appreciation of the Renminbi, coupled with other cost pressures on profit margins, have adversely affected the results of the Division for this year.

FINANCE

The Group has committed bank and other financing facilities totaling HK$2,088 million, of which HK$536 million was drawn down as at 31st December 2007. The Group's consolidated net borrowings as at this date amounted to HK$250 million and shareholders' equity amounted to HK$1,176 million resulting in a gearing ratio of 21.3%.

Most of the Group's sales were conducted in the same currencies as the corresponding purchase transactions. Foreign exchange contracts were used to hedge exposures where necessary.

CAPITAL STRUCTURE

There had been no material change in the capital structure of the Group since 31st December 2006.

HUMAN RESOURCES

As at 31st December 2007, the Group had a total of 6,903 employees, of whom 343 were based in Hong Kong, 6,330 in the PRC and 230 overseas. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account current industry practices. In addition to the provision of a provident fund scheme, medical allowances, in-house and external training programs are also available to employees. The grant of share options and the payment of discretionary bonuses are generally subject to the individual performance of the employees and the Group's overall financial performance. The remuneration policies of the Group and the remuneration packages of the employees are regularly reviewed.

PROSPECTS

In light of the pessimistic outlook for the US economy, demand for the industrial products distributed by the Trading and Distribution Division is expected to soften in 2008. The Division is setting up an office in Vietnam for the distribution of the Group's industrial products in Vietnam, which has become an increasingly popular choice for manufacturers to set up facilities. The Division is also planning to set up operations in India.

Due to continuing appreciation of the Renminbi, the weakening of the US Dollars, the increasing of oil prices, and the escalating worker's wages in the PRC, the profitability of the OEM Manufacturing Division is unlikely to recover in the near future. To enhance the Group's competitiveness in the long run, the Group has acquired a plot of land in Ganzhou, Jiangxi. The Group is planning to relocate part of its manufacturing facilities there, where operating costs are expected to be lower.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the year.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st December 2007, with deviations from code provisions A.2.1, A.4.1 and A.4.2 of the Code in respect of the separate roles of chairman and chief executive officer, service term and rotation of directors:–

Code Provision A.2.1

The Company does not have a separate Chairman and Chief Executive Officer and Mr. Senta Wong currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective supervision of management. Such a structure provides many of the benefits of having a separate Chairman and Chief Executive Officer. The structure includes:

– Having the Audit Committee composed exclusively of Independent Non-Executive Directors;

– Having the Remuneration Committee composed exclusively of Independent Non-Executive Directors;

– Ensuring that Independent Non-Executive Directors have free and direct access to both the Company's external and internal auditors and independent professional advice where considered necessary.

The Board believes that these measures will ensure that our Independent Non-Executive Directors continue to effectively supervise the Group's Management and to provide vigorous control of key issues relating to strategy, risk and integrity. The Board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes, including the separation of the positions of Chairman and Chief Executive Officer, are necessary.

Code Provision A.4.1

None of the existing 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. In accordance with the provisions of the Bye-laws of the Company, any Director appointed by the Board during the year shall retire and submit themselves for re-election at the first annual general meeting immediately following his/her appointment. Further, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are similar to those in the Code.

Code Provision A.4.2
All Directors (except Executive Chairman or Deputy Chairman or Managing or Joint Managing Director) of the Company are subject to retirement by rotations and re-elections at the annual general meeting of the Company at least once every three years.

DIRECTORS' SECURITIES TRANSACTION

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 of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code during the year ended 31st December 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the audited financial statements of the Group for the year ended 31st December 2007.

On behalf of the Board, I wish to thank all employees for their loyalty, support and hard work throughout the year.

By Order of the Board
Senta Wong
Chairman

Hong Kong, 22nd April 2008

As at the date of this announcement, the executive directors of the Company are Messrs. Senta Wong, Edward Ying-Chun Tsui, Byron Shu-Chan Ho, Bengie Man-Hang Kwong and Hamed Hassan EL-ABD and the independent non-executive directors are Messrs. Peter Chung-Yin Lee, John Ho, Philip Wan-Chung Tse and Gene Howard Weiner.