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WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2010

The directors of Wo Kee Hong (Holdings) Limited (the "Company") (the "Director") are pleased to announce that the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended December 31, 2010 were as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2010

	Notes	2010 HK$'000	2009 HK$'000
Turnover	*3*	**1,604,161**	1,240,716
Cost of sales		**(1,331,869)**	(1,078,437)
Gross profit		**272,292**	162,279
Other operating income	5	**26,126**	5,932
Distribution costs		**(91,432)**	(102,596)
Administrative expenses		**(165,507)**	(187,439)
Fair value gains on investment properties		**320**	740
Reversal of properties held for sale to net realisable value		**3,710**	610
Profit/(loss) from operations	*6*	**45,509**	(120,474)
Finance costs		**(10,228)**	(9,236)
Restructuring costs		**—**	(10,081)
Impairment on available-for-sale financial assets		**(5,700)**	(6,000)
Impairment on goodwill		**—**	(3,176)
Net gain on disposal of subsidiaries		**9,273**	—
Share of results of associates		**—**	(95)
Share of result of a jointly controlled entity		**(335)**	(1,729)
Profit/(loss) before tax		**38,519**	(150,791)
Income tax expenses	*7*	**(3,034)**	(399)
Profit/(loss) for the year		**35,485**	(151,190)
Profit/(loss) attributable to:			
Owners of the Company		**27,879**	(141,225)
Non-controlling interests		**7,606**	(9,965)
		35,485	(151,190)
Earnings/(loss) per share attributable to the owners of the Company			
— Basic	*8*	**1.22 cents**	(8.81) cents
— Diluted	*8*	**1.20 cents**	(8.81) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2010

	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) for the year	**35,485**	(151,190)
Exchange differences on translation of foreign operations	**3,011**	487
Total comprehensive income for the year	**38,496**	(150,703)
Total comprehensive income attributable to:		
Owners of the Company	**30,545**	(140,530)
Non-controlling interests	**7,951**	(10,173)
	38,496	(150,703)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2010

	Notes	31/12/10 HK$'000	31/12/09 HK$'000 (Restated)	01/01/09 HK$'000 (Restated)
Non-current assets				
Investment properties		**3,000**	17,740	17,000
Property, plant and equipment		**125,804**	85,291	82,233
Prepaid lease payments		**1,486**	1,509	1,546
Goodwill		**30,044**	30,189	31,611
Interests in associates		**—**	—	95
Interest in a jointly controlled entity		**3,520**	—	—
Available-for-sale financial assets		**9,552**	15,252	21,527
Deferred tax assets		**—**	—	10
		173,406	149,981	154,022
Current assets				
Inventories		**192,730**	221,825	234,664
Properties held for sale, at net realisable value		**25,470**	21,760	21,150
Trade and other receivables	*9*	**213,807**	182,877	248,852
Derivative financial instruments		**—**	—	98
Amounts due from associates		**64,045**	49,451	39,834
Amount due from a jointly controlled entity		**—**	—	2,119
Other financial assets at fair value through profit or loss		**17**	10	6
Cash and cash equivalents		**189,322**	151,973	164,030
		685,391	627,896	710,753
Current liabilities				
Trade and other payables	*10*	**347,691**	345,340	330,489
Bills payables		**25,588**	32,080	14,383
Tax payables		**2,542**	205	2,418
Amount due to a jointly controlled entity		**2,585**	—	—
Amounts due to related companies		**441**	959	944
Obligations under finance leases — due within one year		**96**	88	—
Borrowings	*11*	**201,332**	173,543	184,158
		580,275	552,215	532,392
Net current assets		**105,116**	75,681	178,361
Total assets less current liabilities		**278,522**	225,662	332,383

	Note	31/12/10	31/12/09	01/01/09
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Non-current liabilities				
Obligations under finance leases				
— due after one year		**240**	308	—
Borrowings	*11*	**—**	6,006	6,470
Convertible loan note		**11,612**	—	—
Deferred tax liabilities		**245**	15	12
		12,097	6,329	6,482
Net assets		**266,425**	219,333	325,901
Capital and reserves				
Share capital		**45,838**	45,013	29,403
Reserves		**204,599**	163,685	275,690
Equity attributable to owners of the Company		**250,437**	208,698	305,093
Non-controlling interests		**15,988**	10,635	20,808
Total equity		**266,425**	219,333	325,901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

HKFRS 3 (as revised in 2008) Business Combinations

HKFRS 3 (as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after 1 January 2010 in accordance with the relevant transitional provisions. Its application has affected the accounting for business combinations in the current year.

The impact of the application of HKFRS 3 (as revised in 2008) is as follows:

(i) HKFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree.

(ii) HKFRS 3 (as revised in 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

(iii) HKFRS 3 (as revised in 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.

(iv) HKFRS 3 (as revised in 2008) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards

The amendments provide two exemptions when adopting HKFRSs for the first time relating to oil and gas assets, and the determination as to whether an arrangement contains a lease.

Amendments to HKFRS 2 Share-based Payment — Group Cash-settled Share-based Payment Transactions

The amendments clarify the scope of HKFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKFRS 5 clarify that the disclosure requirements in HKFRSs other than HKFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those HKFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of HKFRS 5 and the disclosures are not already provided in the consolidated financial statements.

The amendments clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

Amendments to HKAS 7 Statement of Cash Flows (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to HKAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in HKAS 38 Intangible Assets for capitalisation as part of an internally generated intangible asset in the consolidated statement of cash flows. This change has been applied retrospectively.

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provision set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at January 1, 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments with the carrying amounts of HK$25,818,000 and HK$25,166,000 as at January 1, 2009 and December 31, 2009 respectively being reclassified to property, plant and equipment. Amortisation of prepaid lease payments of HK652,000 for the year 2009 has been reclassified to depreciation of owned assets.

As at December 31, 2010, leasehold land that qualifies for finance lease classification with the carrying amounts of HK$24,514,000 has been included in property, plant and equipment. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for the Group's changes in ownership interests in subsidiaries of the Group.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from January 1, 2010 in accordance with the relevant transitional provisions.

The application of the revised Standard has affected the accounting for the Group's acquisition and disposal of part of its interest in Creative Pacific Limited and its subsidiaries and increase its interest in Technorient Limited and its subsidiaries in current year. The change in policy has resulted in the difference of HK$5,798,000 between the consideration aggregate received of HK$3,200,000 and the non-controlling interests recognised of HK$2,598,000 being recognised directly in equity, instead of in profit or loss. Therefore, the change in accounting policy has resulted in an increase in the profit for the year of HK$5,798,000. In addition, the cash consideration received and paid in the current year of HK$3,900,000 and HK$700,000 has been included in cash flows from financing activities.

HKAS 28 (as revised in 2008) Investments in Associates

The principle adopted under HKAS 27 (as revised in 2008) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to HKAS 28. Therefore, when significant influence over an associate is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss. In addition, as part of Improvements to HKFRSs issued in 2010, HKAS 28 (as revised in 2008) has been amended to clarify that the consequential amendments to HKAS 28 in relation to transactions where the investor loses significant influence over an associate should be applied prospectively. The Group has applied the amendments to HKAS 28 (as revised in 2008) as part of Improvements to HKFRSs issued in 2010 in advance of their effective dates (annual periods beginning on or after July 1, 2010).

Amendments to HKAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items

The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

HK (IFRIC) - Int 17 Distributions of Non-cash Assets to Owners

The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.

HK (IFRIC) - Int 18 Transfers of Assets from Customers

The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with HKAS 18 Revenue.

HK-Int 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ('HK Int 5') clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK$28,159,000 and HK$31,239,000 have been reclassified from non-current liabilities to current liabilities as at December 31, 2009 and January 1, 2009 respectively. As at December 31, 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK$31,576,000 have been classified as current liabilities. The application of HK Int 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities that reflects the remaining contractual maturities (see note 11).

Improvements to HKFRSs issued in 2009

Except for the amendments to HKFRS 5, HKAS 1, HKAS 7 and HKAS 17 as described earlier, the application of Improvements to HKFRSs issued in 2009 has not had any material effect on amounts reported in the consolidated financial statements.

Standards and Interpretations in issue but not yet effective

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 9	Financial Instruments[3]
HKAS 24 (as revised in 2009)	Related Party Disclosures[4]
HKAS 32 (Amendments)	Classification of Rights Issues[5]
HK (IFRIC) - Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement[4]
HK (IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after July 1, 2010 or January 1, 2011, as appropriate
2 Effective for annual periods beginning on or after July 1, 2010
3 Effective for annual periods beginning on or after January 1, 2013
4 Effective for annual periods beginning on or after January 1, 2011
5 Effective for annual periods beginning on or after February 1, 2010

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the new Standard may have a significant impact on amounts reported in respect of the Groups' financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures — Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

HK(IFRIC)-Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC)-Int 19 will affect the required accounting. In particular, under HK(IFRIC)-Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with 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 judgment in the process of applying the Group's accounting policies.

3. TURNOVER

	2010	2009
	HK$'000	*HK$000*
Sales of goods to customers, less returns and discounts	**1,504,832**	1,162,548
Maintenance service income	**98,995**	77,431
Rental income	**334**	737
	1,604,161	1,240,716

4. SEGMENT INFORMATION

The Group has reporting segments into three operating divisions: cars, electrical appliances and fashion apparels and accessories. These divisions are the basis on which the Group reports its segment information. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

The three operating and reportable segments are as follows:

Cars	Trading of cars and related accessories and provision of car repairing services
Electrical appliances	Distribution of air-conditioning products, audio-visual equipment, car audio and other electrical appliances
Fashion apparels and accessories	Distribution and retail of fashion apparels and accessories

In addition, other unpresentable segments (motor yachts and property investment) are aggregated and presented as "Others".

Segment revenue and results

December 31, 2010

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
External sales	**1,239,043**	**246,662**	**53,839**	**64,617**	**—**	**1,604,161**
Inter-segment sales	**155**	**122**	**—**	**—**	(277)	**—**
Total turnover	**1,239,198**	**246,784**	**53,839**	**64,617**	(277)	**1,604,161**
Inter-segment sales are charged at arm's length						
Results						
Segment results	**35,637**	**13,398**	**271**	**4,243**	**—**	**53,549**
Interest income						**2,094**
Unallocated other operating income						**16,085**
Unallocated corporate expenses						**(26,219)**
Profit from operations						**45,509**
Finance costs						**(10,228)**
Impairment on available-for-sale financial assets						**(5,700)**
Net gain on disposal of subsidiaries						**9,273**
Share of result of a jointly controlled entity	**—**	**—**	**(335)**	**—**	**—**	**(335)**
Profit before tax						**38,519**
Income tax expenses						**(3,034)**
Profit for the year						**35,485**

Segment assets and liabilities

December 31, 2010

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Consolidated statement of financial position					
Assets					
Segment assets	**408,382**	**95,812**	**62,289**	**43,954**	**610,437**
Unallocated corporate assets					**248,360**
Consolidated total assets					**858,797**
Liabilities					
Segment liabilities	**302,913**	**52,092**	**15,430**	**3,747**	**374,182**
Unallocated corporate liabilities					**218,190**
Consolidated total liabilities					**592,372**

Other segment information

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other information						
Capital expenditures	**24,691**	**729**	**2,269**	**—**	**30,408**	**58,097**
Depreciation	**11,954**	**536**	**1,271**	**213**	**3,650**	**17,624**
Amortisation of prepaid lease payments	**—**	**—**	**—**	**25**	**13**	**38**
Fair value gains on investment properties	**—**	**—**	**—**	**320**	**—**	**320**
Reversal of properties held for sale to net realisable value	**—**	**—**	**—**	**3,710**	**—**	**3,710**
Gain/(loss) on disposal of property, plant and equipment	**11**	**(2)**	**(106)**	**—**	**1,693**	**1,596**
Impairment on available-for-sale financial assets	**—**	**—**	**—**	**—**	**5,700**	**5,700**

Segment revenue and results

December 31, 2009

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
External sales	976,356	177,193	70,598	16,569	—	1,240,716
Inter-segment sales	—	2,184	32	—	(2,216)	—
Total turnover	976,356	179,377	70,630	16,569	(2,216)	1,240,716
Inter-segment sales are charged at arm's length						
Results						
Segment results	(48,461)	(2,017)	(24,959)	(20,882)	—	(96,319)
Interest income						2,575
Unallocated corporate expenses						(26,730)
Loss from operations						(120,474)
Finance costs						(9,236)
Restructuring costs						(10,081)
Impairment on available-for-sale financial assets						(6,000)
Impairment on goodwill	—	—	(3,176)	—	—	(3,176)
Share of results of associates	—	—	—	(95)	—	(95)
Share of result of a jointly controlled entity	—	—	(1,729)	—	—	(1,729)
Loss before tax						(150,791)
Income tax expenses						(399)
Loss for the year						(151,190)

Segment assets and liabilities

December 31, 2009

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Consolidated statement of financial position					
Assets					
Segment assets	341,693	74,891	79,249	81,410	577,243
Unallocated corporate assets					200,634
Consolidated total assets					777,877
Liabilities					
Segment liabilities	260,019	39,877	32,328	22,507	354,731
Unallocated corporate liabilities					203,813
Consolidated total liabilities					558,544

Other segment information (restated)

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other information						
Capital expenditures	23,429	1,218	1,579	81	2,354	28,661
Depreciation	10,620	482	2,334	257	3,408	17,101
Amortisation of prepaid lease payments	—	—	12	27	—	39
Fair value gains on investment properties	—	—	—	740	—	740
Reversal of properties held for sale to net realisable value	—	—	—	610	—	610
Gain/(loss) on disposal of property, plant and equipment	(2,433)	159	(3,834)	(93)	115	(6,086)
Impairment on available-for-sale financial assets	—	—	—	—	6,000	6,000

Segment results represent the profit/(loss) generated by each segment without allocation of finance costs, restructuring costs, impairment on available-for-sale financial assets, impairment on goodwill, share of result of associates, share of result of a jointly controlled entity and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment measurement.

For the purpose of monitoring segment performance and allocating resource between segment:

— all assets are allocated to reportable segment other than corporate assets and available-for-sale financial assets;

— all liabilities are allocated to reportable segment other than corporate liabilities.

Information about major customers

No turnover from customers contributing over 10% of total sales of the Group for both years.

Geographical information

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, Mainland China 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	
	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**1,174,696**	957,668
Singapore	**95,563**	72,828
Malaysia	**51,697**	31,294
Mainland China	**273,658**	170,663
Macau	**8,547**	8,263
	1,604,161	1,240,716

The following is an analysis of the carrying amount of non-current assets (excluding deferred tax assets and derivative financial instrument) analysed by the geographical area in which the assets are located:

	Carrying amount of non-current assets		
	31/12/10	31/12/09	01/01/09
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Hong Kong	**112,539**	71,417	65,619
Singapore	**1,048**	1,002	359
Malaysia	**518**	249	239
Mainland China	**49,749**	62,013	66,268
Macau	**—**	48	—
	163,854	134,729	132,485

5. OTHER OPERATING INCOME

	2010	2009
	HK$'000	*HK$'000*
Commission income	**5,990**	2,808
Interest income	**2,094**	2,575
Exchange gain, net	**—**	266
Gain on disposal of property, plant and equipment	**1,596**	—
Waiver of other payable	**16,085**	—
Sundry income	**361**	283
	26,126	5,932

6. PROFIT/(LOSS) FROM OPERATIONS

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Profit/(loss) from operations has been arrived at after charging:		
Auditors' remuneration	**780**	867
Cost of inventories recognised as expenses (included write-down of inventories to net realisable value of HK$2,855,000 (2009: HK$8,070,000))	**1,331,869**	1,078,437
Amortisation of prepaid lease payments	**38**	39
Depreciation of:		
Owned assets	**17,447**	17,043
Assets held under finance leases	**177**	58
Staff costs, including directors' emoluments	**105,358**	107,681
Operating lease rental in respect of land and buildings:		
Minimum lease payments	**36,815**	51,635
Contingent rentals	**554**	1,202
Exchange loss, net	**687**	—
Share-based payment expenses	**793**	1,671

7. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit arising in Hong Kong for the year.

Outside Hong Kong taxation is calculated at the rates prevailing in the respective jurisdictions.

	2010	2009
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**2,461**	—
Outside Hong Kong	**622**	386
	3,083	386
Deferred tax:		
Hong Kong	**(49)**	—
Outside Hong Kong	**—**	13
	(49)	13
Income tax expenses attributable to the Company and its subsidiaries	**3,034**	399

8. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Earnings/(loss)		
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	**27,879**	(141,225)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**2,281,284,495**	1,603,184,015
Effect of dilutive potential ordinary shares:		
Share options granted by the Company	**34,269,923**	—
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**2,315,554,418**	1,603,184,015

Diluted loss per share for the year ended December 31, 2009 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options were anti-dilutive.

9. TRADE AND OTHER RECEIVABLES

	31/12/10	31/12/09	01/01/09
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Trade receivables	**114,136**	78,878	128,366
Less: allowance for doubtful debts	**(1,229)**	(2,465)	(1,604)
Total trade receivables, net of allowance for doubtful debts	**112,907**	76,413	126,762
Deposits, prepayments and other receivables	**100,900**	106,464	122,090
	213,807	182,877	248,852

The following is an aged analysis of trade receivables net for allowance of doubtful debts at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**74,835**	56,834
31 to 60 days	**24,004**	10,000
61 to 90 days	**9,301**	2,752
91 days to 1 year	**2,987**	4,815
Over 1 year	**1,780**	2,012
Total	**112,907**	76,413

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

10. TRADE AND OTHER PAYABLES

The following were an aged analysis of trade payables at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**58,495**	28,575
31 to 60 days	**21,784**	9,790
61 to 90 days	**10,607**	5,748
91 days to 1 year	**5,760**	9,468
Over 1 year	**979**	4,596
Total trade payables	**97,625**	58,177
Customers' deposits, accruals and other payables	**250,066**	287,163
	347,691	345,340

11. BORROWINGS

	31/12/10	31/12/09	01/01/09
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Bank overdrafts	**8,380**	—	6,908
Bank loans	**180,041**	166,192	180,336
Other loans	**12,911**	13,357	3,384
	201,332	179,549	190,628
Secured	**173,290**	148,913	176,885
Unsecured	**28,042**	30,636	13,743
	201,332	179,549	190,628
Carrying amount repayable:			
Within one year	**169,756**	145,384	152,919
More than one year, but not exceeding two years	**7,764**	7,752	4,921
More than two years, but not exceeding five years	**8,073**	11,031	12,641
More than five years	**15,739**	15,382	20,147
	201,332	179,549	190,628
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**(31,576)**	(28,159)	(31,239)
	169,756	151,390	159,389
Less: Amounts due within one year shown under current liabilities	**(169,756)**	(145,384)	(152,919)
Amounts due after one year	**—**	6,006	6,470

12. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to conform with current year's presentation.

DIVIDENDS

The Directors do not recommend the payment of a final dividend (2009: nil) for the year ended December 31, 2010. No interim dividend was paid during the year (2009: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FINANCIAL REVIEW

Results of Operations

For the year ended December 31, 2010, the Group's turnover increased from HK$1,240.7 million to HK$1,604.2 million, representing a robust growth of 29.3%. In the wake of the financial tsunami which faded away in 2009, we are pleased to see that the consumer market bounced back relatively quickly. The car division, our major business segment, operating in both Hong Kong and Mainland China (Dalian and Nanjing), had a satisfactory year in terms of turnover growth and financial performance. Furthermore, we succeeded in the turnaround of our fashion business, namely our own men's wear brand "V-one", which has shown great improvement and began to report profit in the fourth quarter of 2010. We remain cautiously optimistic that this growth momentum can be maintained for the years to come, providing a solid platform for the Group to grow with the market.

Gross profit margin for 2010 recorded a marked increase of 29.8% to 17.0% (2009: 13.1%). The increased turnover, together with the refined margin, resulted in a significant improvement of gross profit in 2010 by HK$110.0 million or 67.8%, from HK$162.3 million in 2009 to HK$272.3 million in 2010.

During 2010, our other operating income amounted to HK$26.1 million (2009: HK$5.9 million), including a gain of HK$16.1 million arising from a waiver of debt granted by a creditor.

Distribution costs in 2010 were reduced by 10.9% to HK$91.4 million (2009: HK$102.6 million) whilst administrative expenses were trimmed down by HK$21.9 million, a 11.7% decrease to HK$165.5 million from HK$187.4 million last year, representing in aggregate a total saving of HK$33.1 million in these two core expense categories. Our adopted practice to review the performance of our business units by way of variance analyses at monthly intervals has proven to be a powerful and timely instrument to enhance revenue and sharpen cost control in all departments. Rigorous management discipline will be sustained to ensure that continued cost savings be made across the Group.

An impairment loss of HK$5.7 million (2009: HK$6.0 million) was made on our 10% investment in Digital Outdoor Television (Hong Kong) Limited, based on professional valuation.

Finance costs of HK$10.2 million were recorded in 2010 (2009: HK$9.2 million), representing a cost of 0.6% of sales (2009: 0.7%) whilst a loss of HK$0.3 million (2009: HK$1.7 million) was booked being our share of result of a jointly controlled entity.

During the year, the Group recorded a net gain on disposal of subsidiaries amounting to HK$9.3 million (2009: nil).

The board of directors of the Company (the "Board") is pleased to report that the profit attributable to the owners of the Company for the year amounted to HK$27.9 million (2009: loss of HK$141.2 million), representing a strong recovery from last year. We have shown marked improvement in all key performance indices including turnover, profit margin and net cash flow. Going forward, our well-established corporate governance team, coupled with our dynamic yet cost-conscious business team, will continue developing a healthy business model designed to bring economic benefits for the future development of the Group.

Financial Condition and Capital Structure

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, 2010 were HK$189.3 million (2009: HK$152.0 million). A net cash inflow of HK$24.9 million (2009: net cash outflow of HK$6.1 million) was recorded, representing in aggregate funds generated from operating, investing and financing activities in the year.

The Group had total borrowings at December 31, 2010 amounting to HK$201.3 million (2009: HK$179.5 million). The Group's long term gearing ratio stood at 4.8% (2009: 3.0%), based on long term liabilities (excluding deferred tax) of HK$11.9 million (2009: HK$6.3 million) and owners' equity of HK$250.4 million (2009: HK$208.7 million). The current ratio was 1.2 (2009: 1.1), based on current assets of HK$685.4 million (2009: HK$627.9 million) and current liabilities of HK$580.3 million (2009: HK$552.2 million).

The Group had trading facilities at December 31, 2010 amounting to HK$324.6 million (2009: HK$326.4 million) of which HK$237.0 million (2009: HK$226.2 million) was utilized.

Foreign Exchange Exposure

The Group's purchases are mainly conducted in Euro and US Dollar while sales are mainly conducted in HK Dollar and Renminbi. During the year, the Group entered into several forward exchange contracts with its bankers in order to hedge foreign currency transactions and stabilize purchase cost. There were no outstanding foreign exchange contracts at December 31, 2010 and 2009.

Pledge of Assets

Certain of the Group's properties, inventories, cash deposits, a motor yacht and all assets of a subsidiary were pledged at year ended 2010 in an aggregate amount of HK$272.9 million (2009: HK$258.9 million) to secure loans and facilities granted.

Capital Commitments and Contingent Liabilities

The Group had capital commitments of HK$12.6 million at December 31, 2010 (2009: HK$0.8 million). The Group had no material contingent liabilities at December 31, 2010 and 2009.

BUSINESS REVIEW

Cars

The business consists mainly of the import, distribution and after-sales service of Italian “Ferrari” and “Maserati” cars and spare parts in Hong Kong and Macau. In Mainland China, we operate “Ferrari” and “Maserati” car dealerships in Dalian and Nanjing.

Compared to 2009, turnover increased 26.9% to HK$1,239 million as a result of the economic recovery. Car sales continued to rise in both Hong Kong and China markets and turnover from maintenance service also recorded an encouraging increase.

For Ferrari, 2010 was the first full year of production of the California GT and the Group delivered a total of 85 to customers. Deliveries of Ferrari’s 12-cylinder Berlinetta range, the 599 GTB Fiorano and 599 GTO, continued whilst delivery of the 458 Italia, the successor to the F430 series, began in August. The order portfolio for the 458 Italia closed at 327 at year end with an approximate four-year waiting list. We are proud to continuously achieve a market share of over 50% in both Sports and GT segments in Hong Kong.

Awareness of the Maserati brand achieved another boost in Hong Kong in April due to the launch of the new two-door convertible, the GranCabrio. Deliveries started during the second quarter and 19 cars had been delivered to clients by the end of the year. Demand for Maserati’s GranTurismo, GranTurismo S and GranTurismo S automatic remained high. Meanwhile, more Quattroportes (Maserati’s four-door model) were delivered during the year and the model continued to be successful in the Hong Kong luxury sedan market.

Total workshop service turnover for the full year grew by 33% to HK$82.3 million as compared with 2009. This was primarily due to an expansion of our service facilities in Hong Kong, an increase in the Ferrari/Maserati pre-delivery inspection business which we operate in Shanghai and the introduction of a new car dealer management system-ADP.

Turnover of our used car business grew by 20% in 2010. This was due to a combination of factors including the opening of a dedicated used car showroom in Ap Lei Chau in May and the recruitment of a team of used car sales specialists.

Our dealership business in Dalian and Nanjing, which covers the territories of five provinces, namely Liaoning, Jilin, Heilongjiang, Jiangsu and Anhui, has developed well and both turnover and financial performance continued to improve satisfactorily. In anticipation of the pace of expansion in this area, more resources would be allocated to reap greater economic benefits from these dealerships.

Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliances products, namely “MHI” (Mitsubishi Heavy Industries of Japan), “Bodysonic” and “GREE”, audio-visual products of “Rogers” and “Bodysonic” and “Alpine” car electronics.

After a difficult 2009, turnover in this segment recorded a growth of 39.2%, from HK$177.2 million in 2009 increased to HK$246.7 million in 2010. The restructuring and cost optimization programs, started in 2009, has proven to be successful and overall financial performance was greatly improved.

Demand and sales of air-conditioning products and audio visual products in Hong Kong remained strong throughout the year with steady profit margins, leading to a good result at year end.

Our electrical appliances business in Singapore and Malaysia also recorded a significant growth in both turnover and net profit in 2010. The success was mainly due to the newly developed OEM car audio business and the continuous steady growth of air-conditioning markets in these regions.

Fashion Apparels and Accessories

Subsequent to the implementation of operational efficiency and cost optimization programs, the business performance of our own men's wear brand "V-one" steadily improved during the year. Non-performing shops were closed and headcounts were further trimmed. We focused on our sales network and presence in Eastern China and more shops were opened in new towns of Shanghai and adjacent second tier cities. As a result of the above actions, the financial performance and condition of V-one continued to improve and expansion of this business is considered appropriate. Accordingly, a new president of V-one was appointed in December 2010 who has extensive experience in China's retail market and we are confident to achieve rapid growth of the V-one business in the coming years.

Since the formation of a jointly controlled entity with the Italian Binda Group in February 2010, our watch business operated with good progress and in the right direction in Hong Kong, Macau and Mainland China. Wholesales in both Hong Kong and Mainland China improved significantly in the second half of year 2010, as well as the good performance in Macau which was attributable to the influx of travellers from Mainland China.

Other Business

In addition to the above key businesses, the Group also engages in the distribution of motor yachts in Hong Kong and Mainland China. This includes the Italian brand "Pershing" and Taiwanese brand "Horizon". The Group's Horizon yacht business in Mainland China was re-configured to non-exclusive status in early 2010 with a sales point at the Group's Shenzhen office.

The yacht business in Hong Kong as well as Mainland China has seen a gradual recovery during 2010 after the severe downturn in 2009. One Horizon 97 yacht and one Pershing 50 yacht were delivered during 2010.

HUMAN RESOURCES

At the end of 2010, the total number of employees of the Group, excluding associates, was 467 (2009: 561), representing a 16.8% decrease in headcount. This is mainly due to our exercise of streamlining of operations during the year in our three core business segments.

The management is committed to staff motivation, training and development to ensure that the standard of our employees remains stable and competitive in the marketplace. Several leadership training seminars for our managerial and supervisory staff were conducted during the year to enhance their skills and spirits of co-operation. With the continuous organizational improvements, led by our capable management team, we are confident that our employees will grow with the Company so as to bring economic benefits to the Group in the years to come.

PROSPECTS

While the Group will continue to grow as one of the leading lifestyle products distribution companies, our business is moving forward steadily and healthily with great confidence in the continuous improvement of the Asian economies during the years to come.

Our order portfolio for "Ferrari" continues to grow healthily with a lead time of up to four years, whilst the profile of "Maserati" will continue to broaden in 2011. Both brands are expected to introduce exciting new models in 2011 to further expand their market dominance and reach for new clients.

Our electrical appliances business will work closely with our major suppliers such as "MHI" and "Apline" in order to improve our market share and market positioning through effective marketing and sales programs. We will continue to explore development opportunities for our own "Bodysonic" brand with new energy saving and green technologies.

Our own men's wear brand "V-one" has performed particularly well in the last quarter of 2010. With such momentum, we have now set a relatively long term target for this business by which we foresee a significant enhancement of both sales volume and profitability in the next couple of years.

In August 2010, the Company was awarded "Character Company Award 2010", an award which aims to recognize the outstanding performance of corporations in six dimensions. In March 2011, the Company was awarded the Caring Company Logo 2010/11, launched by the Hong Kong Council of Social Service. The Caring Company Logo is awarded to companies which demonstrate good corporate citizenship. It aims to promote corporate social responsibility through caring for community, employees and the environment. Both the Company and our staff are very proud to receive these two honors.

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 ended December 31, 2010.

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 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") during the year ended December 31, 2010, except in relation to the separation of the roles 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. Dr. 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. The details are set out fully in the corporate governance report in the Company's 2005 annual report.

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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted a code of conduct for transactions in the Company's securities by the Directors that complies with the Model Code as set out in Appendix 10 to the Listing Rules. Followed specific enquiries by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended December 31, 2010.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed the audited financial statements of the Group for the year ended December 31, 2010 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 ("Annual General Meeting") will be held on May 31, 2011. For details of the Annual General Meeting, please refer to the notice of Annual General Meeting, which will be despatched to the shareholders of the Company (the "Shareholders") in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.wokeehong.com.hk). The annual report will be despatched to the Shareholders and available on the above websites in due course.

By order of the Board
WO KEE HONG (HOLDINGS) LIMITED
Dr. Richard Man Fai LEE
Executive Chairman & CEO

Hong Kong, March 28, 2011

At the date of this announcement, the Board comprises of Dr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE and Mr. Tik Tung WONG, all of whom are Executive Directors, Ms. Kam Har YUE, who is a Non-executive Director, Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG and Mr. Peter Pi Tak YIN, all of whom are Independent Non-executive Directors.