WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

2013 INTERIM RESULTS

The Board of Directors of Wong's Kong King International (Holdings) Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013 together with comparative figures for the corresponding period in 2012 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	NOTE	***HK$'000***	*HK$'000*
Revenue	*3*	**2,648,723**	2,445,128
Other gains		**2,496**	7,149
Raw materials and consumables used		**(1,785,015)**	(1,326,926)
Purchases of finished goods		**(436,103)**	(566,305)
Changes in inventories of finished goods and work in progress		**104,210**	(40,012)
Other manufacturing overheads		**(44,944)**	(40,407)
Employee benefit expenses		**(324,408)**	(297,976)
Depreciation and amortisation		**(28,400)**	(31,407)
Other expenses		**(114,313)**	(108,176)
Operating profit		**22,246**	41,068
Finance income	*4*	**9,871**	7,549
Finance costs	*4*	**(8,043)**	(16,239)
Finance income/(costs), net	*4*	**1,828**	(8,690)

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	NOTE	***HK$'000***	*HK$'000*
Share of results of a joint venture		**768**	–
Write back of allowance for doubtful debts on amount due from a joint venture		**79**	608
Profit before income tax	*3*	**24,921**	32,986
Income tax expense	*5*	**(14,165)**	(14,332)
Profit for the period		**10,756**	18,654
Attributable to:			
Equity holders of the Company		**7,606**	14,726
Non-controlling interests		**3,150**	3,928
		10,756	18,654
EARNINGS PER SHARE	*6*		
(expressed in HK cents per share)			
– basic		**1.03**	1.99
– diluted		**1.02**	1.98
DIVIDENDS		**–**	–

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2013

	NOTE	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) (Restated) HK$'000
ASSETS			
NON-CURRENT ASSETS			
Land use rights		**14,162**	14,387
Property, plant and equipment		**625,464**	619,023
Prepayment for acquisition of plant and equipment		**11,950**	11,666
Intangible assets		**9,213**	10,099
Interests in joint ventures		**1,461**	608
Deferred tax assets		**8,790**	9,432
Available-for-sale financial assets		**32,661**	32,669
Long term deposits		**2,615**	2,419
Club membership and debentures		**15,126**	15,145
TOTAL NON-CURRENT ASSETS		**721,442**	715,448
CURRENT ASSETS			
Inventories		**959,700**	788,476
Trade and other receivables	7	**1,480,917**	1,229,973
Deposits and prepayments		**46,178**	68,009
Tax recoverable		**785**	646
Derivative financial instruments		**139**	45
Bank balances and cash		**806,006**	453,028
TOTAL CURRENT ASSETS		**3,293,725**	2,540,177
TOTAL ASSETS		**4,015,167**	3,255,625
LIABILITIES			
NON-CURRENT LIABILITIES			
Obligations under finance leases – due after one year		**1,657**	2,242
Provision for assets retirement obligation		**1,710**	1,710
Retirement benefit obligations		**10,139**	10,666
TOTAL NON-CURRENT LIABILITIES		**13,506**	14,618

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AT 30 JUNE 2013

	NOTE	**30 June 2013 (Unaudited) *HK$'000***	31 December 2012 (Audited) (Restated) *HK$'000*
CURRENT LIABILITIES			
Trade, bills and other payables	*8*	**1,097,258**	914,193
Current income tax liabilities		**17,911**	17,682
Bank borrowings – due within one year		**1,403,978**	815,794
Bank overdrafts, secured		**–**	776
Obligations under finance leases			
– due within one year		**1,237**	1,226
Derivative financial instruments		**1,154**	1,955
TOTAL CURRENT LIABILITIES		**2,521,538**	1,751,626
TOTAL LIABILITIES		**2,535,044**	1,766,244
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**73,967**	73,967
Reserves		**1,315,824**	1,317,613
		1,389,791	1,391,580
Non-controlling interests		**90,332**	97,801
TOTAL EQUITY		**1,480,123**	1,489,381
TOTAL EQUITY AND LIABILITIES		**4,015,167**	3,255,625
NET CURRENT ASSETS		**772,187**	788,551
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,493,629**	1,503,999

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**10,756**	18,654
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss		
Currency translation differences	**(404)**	(3,365)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**10,352**	15,289
ATTRIBUTABLE TO:		
Equity holders of the Company	**9,306**	11,334
Non-controlling interests	**1,046**	3,955
	10,352	15,289

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2013

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial information has been prepared in consistent with those principal accounting policies followed in the Annual Report 2012 except the adoption of the following new/revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as "new HKFRSs") which are effective for accounting periods commencing on or after 1 January 2013.

- HKAS 1 (Amendments), "Presentation of Items of Other Comprehensive Income"
- HKAS 19 (2011), "Employee Benefits"
- HKAS 27 (2011), "Separate Financial Statements"
- HKAS 28 (2011), "Investments in Associates and Joint Ventures"
- HKFRS 1 (Amendments), "Government Loans"
- HKFRS 7 (Amendments), "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities"
- HKFRS 10, "Consolidated Financial Statements"
- HKFRS 11, "Joint Arrangements"
- HKFRS 12, "Disclosure of Interests in Other Entities"
- HKFRS 13, "Fair Value Measurement"
- HK(IFRIC)-Int 20, "Stripping Costs in the Production Phase of a Surface Mine"

The adoption of these new/revised HKFRSs does not have implication to the Group's accounting policies applied in this unaudited condensed consolidated financial information except for below:

HKFRS 10 "Consolidated Financial Statements" provides additional guidance on the determination of control. Under HKFRS 10, the Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has applied HKFRS 10 retrospectively in accordance with the standard which has no significant impact on the results and the financial position of the Group.

HKFRS 11 "Joint Arrangements" classifies joint arrangements as either joint operations or joint ventures. The determination of whether a joint arrangement is a joint operation or a joint venture is based on the parties' rights and obligations under the arrangement and the existence of a separate legal vehicle is no longer a key factor. The Group has applied HKFRS 11 retrospectively in accordance with the standard which has no significant impact on the results and the financial position of the Group.

HKFRS 13 "Fair Value Measurements" defines fair value and provides a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting. The Group has applied the new fair value measurement and disclosure requirements prospectively in accordance with the standard.

HKAS 19 (2011), "Employee Benefits", eliminates the corridor approach and calculates finance costs on a net funding basis. This standard requires that all actuarial gains and losses have to be recognised immediately in other comprehensive income, to ensure that the net pension asset or liability recognised in consolidated balance sheet can reflect the full value of the planned deficit or surplus. The Group has applied HKAS 19 (2011) retrospectively in accordance with the standard and the impact on the financial position of the Group as at the beginning of comparative periods are as follows:

	At 1 January 2012 (as previously reported)	**Adjustments**	**At 1 January 2012 (as restated)**	**At 31 December 2012 (as previously reported)**	**Adjustments**	**At 31 December 2012 (as restated)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)
Retained earnings	(1,149,284)	6,016	(1,143,268)	(1,184,188)	5,978	(1,178,210)
Deferred tax assets	8,906	1,836	10,742	7,565	1,867	9,432
Retirement benefit obligations, net	234	(10,801)	(10,567)	317	(10,983)	(10,666)
Non-controlling interests	(79,195)	3,229	(75,966)	(100,854)	3,053	(97,801)
Translation reserve	(15,099)	(280)	(15,379)	(15,534)	85	(15,449)

The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2013 and have not been early adopted:

		Effective for annual periods beginning on or after
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1 January 2014
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
HKFRS 9	Financial instruments	1 January 2015
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures	1 January 2015
HKFRS 10, HKFRS 12 and HKAS 27 (Amendment)	Investment Entities	1 January 2014
HK(IFRIC) Int 21	Levies	1 January 2014

3. SEGMENTAL INFORMATION

The Chief Operation Decision-Maker ("CODM") has been identified as directors of the Company. CODM reviews the Group's internal reporting in order to assess performance and allocate resources. It has determined the operating segments based on these reports. The Group is currently organised into two operating segments – trading and manufacturing. These segments are the basis on which the Group reports its principal activities information.

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

The segment information for the six months ended 30 June 2013 is as follows:

	Trading *HK$'000*	**Manufacturing** *HK$'000*	**Others** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Revenue					
External sales	**754,921**	**1,864,525**	**29,277**	**–**	**2,648,723**
Inter-segment sales	**134,804**	**2,076**	**12,100**	**(148,980)**	**–**
Total	**889,725**	**1,866,601**	**41,377**	**(148,980)**	**2,648,723**
Results					
Segment results after finance income/(costs)	**10,980**	**25,977**	**(11,576)**	**(1,307)**	**24,074**
Share of result of a joint venture					**768**
Write back of allowance for doubtful debts on amount due from a joint venture					**79**
Profit before income tax					**24,921**

The segment information for the six months ended 30 June 2012 is as follows:

	Trading *HK$'000*	Manufacturing *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Revenue					
External sales	857,973	1,555,065	32,090	–	2,445,128
Inter-segment sales	152,138	1,387	12,669	(166,194)	–
Total	1,010,111	1,556,452	44,759	(166,194)	2,445,128
Results					
Segment results after finance income/(costs)	23,666	16,868	(7,757)	(399)	32,378
Write back of allowance for doubtful debts on amount due from a joint venture					608
Profit before income tax					32,986

4. FINANCE INCOME/(COSTS), NET

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Interest income	**5,072**	7,549
Fair value gain on foreign exchange forward contracts and interest rate swap	**730**	–
Net foreign exchange gain on bank deposits	**4,069**	–
	9,871	7,549
Interest expense	**(8,043)**	(12,088)
Fair value loss on foreign exchange forward contracts and interest rate swap	**–**	(3,802)
Net foreign exchange loss on bank deposits	**–**	(349)
	(8,043)	(16,239)
Finance income/(costs), net	**1,828**	(8,690)

5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the period. The subsidiaries established in the PRC are subject to enterprise income tax rate of 25% (2012: 25%). The subsidiaries in Taiwan are subject to corporate income tax rate of 17% (2012: 17%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**3,398**	4,109
Other jurisdictions including PRC income tax	**8,011**	7,012
Withholding tax on dividend declared by subsidiaries	**2,756**	3,211
	14,165	14,332

6. EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2013	2012
Profit attributable to equity holders of the Company (Hong Kong thousands dollar)	**7,606**	14,726
Weighted average number of ordinary shares in issue (thousands)	**739,670**	739,670
Basic earnings per share (Hong Kong cents per share)	**1.03**	1.99

(b) Diluted

Diluted earnings per share is calculated by adjusting weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares.

	Six months ended 30 June	
	2013	2012
Profit attributable to equity holders of the Company (Hong Kong thousands dollar)	**7,606**	14,726
Weighted average number of ordinary shares in issue (thousands)	**739,670**	739,670
Adjustments for share options (thousands)	**4,545**	3,902
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**744,215**	743,572
Diluted earnings per share (Hong Kong cents per share)	**1.02**	1.98

7. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (including amounts due from related parties of trading in nature) of HK$1,465,776,000 (At 31 December 2012: HK$1,217,487,000). The Group allows a credit period ranging from 30 days to 180 days to its trade customers. In addition, for certain customers with long established relationship, a longer credit period is granted.

The ageing analysis of trade receivables based on invoice date net of provision for impairment at the end of reporting period is as follows:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
0 to 30 days	**668,644**	410,368
31 to 60 days	**288,542**	357,125
61 to 90 days	**204,811**	164,705
Over 90 days	**303,779**	285,289
	1,465,776	1,217,487

8. TRADE, BILLS AND OTHER PAYABLES

Included in trade, bills and other payables are trade and bills payable (including amounts due to related parties of trading in nature) of HK$829,661,000 (At 31 December 2012: HK$674,962,000).

The following is an ageing analysis of trade and bills payables based on invoice date at the end of reporting period:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
0 to 30 days	**562,525**	335,861
31 to 60 days	**214,280**	194,449
61 to 90 days	**35,822**	99,043
Over 90 days	**17,034**	45,609
	829,661	674,962

INTERIM DIVIDEND

The Board of Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (2012: Nil).

BUSINESS REVIEW

The Group's turnover for the first half of this year was HK$2.6 billion, representing an increase of approximately 8% compared to the same period in 2012. However, the Group's profit attributable to shareholders was HK$7.6 million for the first half of this year, reflecting a decrease of approximately 48% compared to the same period last year, mainly due to poor performance of the Group's Industrial Products Trading Division.

In the absence of a more stable global economic environment which has not yet materialised, the Group's Industrial Products Trading Division registered sales of HK$0.8 billion during the first half of this year. This represented a decline of approximately 12% and, as a result, the Division's operating profit decreased by approximately 54% compared to the same period last year. All of the Division's major operations with the exception of sales of PCB related products recorded drops both in sales and operating profits.

The turnover of the Group's OEM Manufacturing Division grew by approximately 20% to HK$1.9 billion in the first half of 2013 compared to the same period last year mainly because of an increase in the volume of orders from a major customer. The operating profit improved by approximately 54% as a result.

FINANCE

The Group has committed bank and other financing facilities totaling HK$3,627 million, of which HK$1,605 million was drawn down as at 30 June, 2013. As at 30 June, 2013, the Group's consolidated net borrowings amounted to HK$601 million and total equity amounted to HK$1,480 million, resulting in a net gearing ratio of 41%.

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 have been no material changes in the capital structure of the Group since 31 December, 2012.

HUMAN RESOURCES

As at 30 June 2013, the Group had a total of 7,018 employees of whom 315 were based in Hong Kong, 6,370 in the PRC and 333 overseas. The remunerations packages of the Group's employees are mainly based on their performance and experience, taking into account current industry practices. Provident fund scheme, medical allowances, and in-house and external training programs are available to employees. Share options and discretionary bonuses are provided to employees according to the performance of the individual and the Group. The remuneration policy and packages of the Group's employees are regularly reviewed.

PROSPECTS

The directors expect that the demand for the industrial products distributed by the Group will continue to be soft for the remainder of this year given the current economic situation.

Despite the current economic conditions, the Group's OEM Manufacturing Division is expected to secure more orders for the second half of this year compared to the first half of this year, based on orders on hand.

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 listed securities during the six months ended 30 June 2013.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2013, with deviations as stated below:

Code Provision A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

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

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing Non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG 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 next 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 CG Code.

Code Provision A.4.2

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-laws of the Company, all Directors (except Executive 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. This constitutes a deviation from the CG Code. As continuation is a key factor to the successful implementation of any long term business plans, the Board believes that, together with the reasons for deviation from Code Provision A.2.1, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

Code Provision A.6.7

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should also attend general meetings.

All the Non-executive Directors (including the Independent Non-executive Directors) attended the annual general meeting of the Company held on 11 June 2013 except an Independent Non-executive Director who cannot attend the annual general meeting due to personal engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on no less exacting than the terms and required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all the Directors, the Company had obtained confirmation from all the Directors that they have complied with the required standard set out in the Model Code and the code of conduct for securities transactions by Directors adopted by the Company throughout the six months ended 30 June 2013.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30 June 2013.

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

By Order of the Board
Byron Shu-Chan Ho
Director

Hong Kong, 29 August 2013

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; the Non-Executive Directors are Messrs. Hsu Hung Chieh and Leung Kam Fong; and the Independent Non-Executive Directors are Messrs. Peter Chung-Yin Lee, John Ho, Philip Wan-Chung Tse and Gene Howard Weiner.