Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

WKK

WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 532)

2014 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 2014 together with comparative figures for the corresponding period in 2013 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	NOTE	***HK$'000***	*HK$'000*
Revenue	*3*	**2,591,240**	2,648,723
Gain on disposal of land and building		**23,899**	–
Other gains		**137**	2,496
Raw materials and consumables used		**(1,560,371)**	(1,785,015)
Purchases of finished goods		**(495,486)**	(436,103)
Changes in inventories of finished goods and work in progress		**(10,311)**	104,210
Employee benefit expenses		**(323,706)**	(324,408)
Depreciation and amortisation		**(30,369)**	(28,400)
Other expenses		**(154,425)**	(159,257)
Operating profit		**40,608**	22,246
Finance income	*4*	**8,116**	9,871
Finance costs	*4*	**(7,614)**	(8,043)
Finance income, net	*4*	**502**	1,828

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	NOTE	***HK$'000***	*HK$'000*
Share of results of a joint venture		**(443)**	768
Write back of allowance for doubtful debts on amount due from a joint venture		**–**	79
Profit before income tax	*3*	**40,667**	24,921
Income tax expense	*5*	**(14,320)**	(14,165)
Profit for the period		**26,347**	10,756
Attributable to:			
Equity holders of the Company		**25,202**	7,606
Non-controlling interests		**1,145**	3,150
		26,347	10,756
EARNINGS PER SHARE	*6*		
(expressed in HK cents per share)			
– basic		**3.41**	1.03
– diluted		**3.40**	1.02
DIVIDENDS		**–**	–

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2014

	NOTE	**30 June 2014 (Unaudited) *HK$'000***	31 December 2013 (Audited) *HK$'000*
ASSETS			
NON-CURRENT ASSETS			
Land use rights		**13,802**	14,026
Property, plant and equipment		**597,171**	613,507
Prepayment for acquisition of plant and equipment		**797**	13,015
Intangible assets		**7,432**	8,319
Interests in joint ventures		**903**	1,346
Deferred tax assets		**4,133**	5,472
Available-for-sale financial assets		**39,312**	32,686
Long term deposits		**3,129**	2,496
Club membership and debentures		**15,089**	15,085
TOTAL NON-CURRENT ASSETS		**681,768**	705,952
CURRENT ASSETS			
Inventories		**843,909**	732,468
Trade and other receivables	*7*	**1,521,355**	1,233,969
Deposits and prepayments		**48,263**	56,803
Tax recoverable		**236**	52
Derivative financial instruments		**107**	–
Bank balances and cash		**559,882**	677,987
TOTAL CURRENT ASSETS		**2,973,752**	2,701,279
TOTAL ASSETS		**3,655,520**	3,407,231
LIABILITIES			
NON-CURRENT LIABILITIES			
Obligations under finance leases – due after one year		**358**	992
Provision for assets retirement obligations		**1,710**	1,710
Retirement benefit obligations		**9,166**	9,479
TOTAL NON-CURRENT LIABILITIES		**11,234**	12,181

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
AT 30 JUNE 2014

	NOTE	30 June 2014 (Unaudited) HK$'000	31 December 2013 (Audited) HK$'000
CURRENT LIABILITIES			
Trade, bills and other payables	8	**1,190,470**	934,943
Current income tax liabilities		**8,715**	7,073
Bank borrowings – due within one year		**913,137**	921,710
Obligations under finance leases – due within one year		**1,262**	1,250
Derivative financial instruments		**–**	737
TOTAL CURRENT LIABILITIES		**2,113,584**	1,865,713
TOTAL LIABILITIES		**2,124,818**	1,877,894
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**73,967**	73,967
Reserves		**1,367,658**	1,358,746
		1,441,625	1,432,713
Non-controlling interests		**89,077**	96,624
TOTAL EQUITY		**1,530,702**	1,529,337
TOTAL EQUITY AND LIABILITIES		**3,655,520**	3,407,231
NET CURRENT ASSETS		**860,168**	835,566
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,541,936**	1,541,518

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**26,347**	10,756
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss		
Currency translation differences	**(3,721)**	(404)
Fair value gains of available-for-sale financial assets, net of tax	**2,334**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**24,960**	10,352
ATTRIBUTABLE TO:		
Equity holders of the Company	**23,705**	9,306
Non-controlling interests	**1,255**	1,046
	24,960	10,352

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2014 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 2013, 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 2013 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 2014.

- HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments), "Investment Entities"
- HKAS 32 (Amendment), "Offsetting Financial Assets and Financial Liabilities"
- HKAS 36 (Amendment), "Recoverable Amount Disclosure for Non-Financial Assets"
- HKAS 39 (Amendment), "Novation of Derivatives and Continuation of Hedge Accounting"
- HK(IFRIC)-Int 21, "Levies"

The adoption of these new HKFRSs does not have implication to the Group's accounting policies applied in this unaudited condensed consolidated financial information.

The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2014 and have not been early adopted:

		Effective for annual periods beginning on or after
HKAS 16 and HKAS 38 (Amendments)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contribution	1 January 2015
HKFRS 9	Financial Instruments	1 January 2015
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRSs (Amendments)	Improvements to HKFRSs 2010-2012 Cycles	1 January 2015
HKFRSs (Amendments)	Improvements to HKFRSs 2011-2013 Cycles	1 January 2015

During the period, the Group's other manufacturing overhead expenses are included in other expenses, the comparative figures have been regrouped to conform with the current period's presentation.

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 2014 is as follows:

	Trading *HK$'000*	**Manufacturing** *HK$'000*	**Others** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Revenue					
External sales	**814,146**	**1,733,780**	**43,314**	**–**	**2,591,240**
Inter-segment sales	**150,017**	**1,410**	**7,667**	**(159,094)**	**–**
Total	**964,163**	**1,735,190**	**50,981**	**(159,094)**	**2,591,240**
Results					
Segment results before finance income/(costs)	**28,928**	**22,754**	**(11,065)**	**(9)**	**40,608**
Finance income	**1,891**	**4,674**	**1,551**	**–**	**8,116**
Finance costs	**(321)**	**(7,257)**	**(36)**	**–**	**(7,614)**
	30,498	**20,171**	**(9,550)**	**(9)**	**41,110**
Share of loss of a joint venture					**(443)**
Profit before income tax					**40,667**

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 before finance income/(costs)	10,315	24,567	(11,329)	(1,307)	22,246
Finance income	1,231	8,154	486	–	9,871
Finance costs	(566)	(6,744)	(733)	–	(8,043)
	10,980	25,977	(11,576)	(1,307)	24,074
Share of profit 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

4. FINANCE INCOME, NET

	Six months ended 30 June **2014** ***HK$'000***	2013 *HK$'000*
Interest income	**8,116**	5,072
Fair value gain on foreign exchange forward contracts and interest rate swap	**–**	730
Net foreign exchange gain on bank deposits	**–**	4,069
	8,116	9,871
Interest expense	**(7,614)**	(8,043)
Finance income, net	**502**	1,828

5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profit for the period. The subsidiaries established in the PRC are subject to corporate income tax rate of 25% (2013: 25%). The subsidiaries in Taiwan are subject to corporate income tax rate of 17% (2013: 17%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**4,668**	3,398
Other jurisdictions including PRC income tax	**6,512**	8,011
Withholding tax on dividend declared by subsidiaries	**3,140**	2,756
	14,320	14,165

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	
	2014	2013
Profit attributable to equity holders of the Company (Hong Kong thousands dollar)	**25,202**	7,606
Weighted average number of ordinary shares in issue (thousands)	**739,670**	739,670
Basic earnings per share (Hong Kong cents per share)	**3.41**	1.03

(b) Diluted

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

	Six months ended 30 June	
	2014	2013
Profit attributable to equity holders of the Company (Hong Kong thousands dollar)	**25,202**	7,606
Weighted average number of ordinary shares in issue (thousands)	**739,670**	739,670
Adjustments for share options (thousands)	**2,575**	4,545
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**742,245**	744,215
Diluted earnings per share (Hong Kong cents per share)	**3.40**	1.02

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$1,498,593,000 (At 31 December 2013: HK$1,217,271,000). 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 invoices dates net of provision for impairment at the end of reporting period is as follows:

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
0 to 30 days	**693,571**	436,548
31 to 60 days	**330,989**	340,116
61 to 90 days	**178,271**	184,775
Over 90 days	**295,762**	255,832
	1,498,593	1,217,271

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$902,204,000 (At 31 December 2013: HK$669,663,000).

The following is an ageing analysis of trade and bills payables based on goods received dates at the end of reporting period:

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
0 to 30 days	**656,156**	310,868
31 to 60 days	**145,190**	235,060
61 to 90 days	**33,306**	51,955
Over 90 days	**67,552**	71,780
	902,204	669,663

INTERIM DIVIDEND

The Board of Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

BUSINESS REVIEW

The Group's turnover for the first half of this year was HK$2.6 billion, representing a decrease of approximately 2% compared to the same period last year. However, the Group registered a profit attributable to shareholders of HK$25.2 million for the first half of 2014 as compared to a profit attributable to shareholders of HK$7.6 million for the same period last year, mainly due to a profit of HK$23.9 million on the disposal of a property in Singapore recorded earlier this year.

The sales of the Group's Industrial Product Trading Division grew by approximately 8% to HK$0.8 billion in the first half of 2014 compared to the same period last year. However, the Division's operating profit overall decreased by approximately 39.9% mainly due to the tough market environment for the Division. Whilst the PCB related Products Sales Division performed excellently, the operations in Taiwan recorded a significant drop in operating profit. The operations in the PRC incurred operating losses in the first half of this year.

The Group's OEM Manufacturing Division registered sales of HK$1.7 billion during the first half of 2014. This represented a decline of approximately 7% and as a result, the Division's operating profit decreased by approximately 22% compared to the same period last year.

FINANCE

The Group has committed bank and other financing facilities totaling HK$3,583 million, of which HK$1,051 million was drawn down as at 30 June 2014. As at 30 June 2014, the Group's consolidated net borrowings amounted to HK$355 million and total equity amounted to HK$1,531 million, resulting in a net gearing ratio of 23%.

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 2013.

HUMAN RESOURCES

As at 30 June 2014, the Group had a total of 7,667 employees of whom 302 were based in Hong Kong, 7,045 in the PRC and 320 overseas. The remuneration 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 had expected that the demand for the industrial products distributed by the Group would be stronger during the rest of this year than in the first half of 2014. This expectation has now been affected by the recent tensions between Russia and the USA and Eurozone countries, and the Directors now only anticipate a slight improvement in demand.

It is expected that, given the volume of orders on hand, the Group's OEM Manufacturing Division should perform better in the second half than in the first half of this year.

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 2014.

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 2014, 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 17 June 2014 except a Non-executive Director who cannot attend the annual general meeting as he was overseas at the time.

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 2014.

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 2014.

On behalf of the Board, I wish to thank all employees for their dedication and commitments to the Group throughout the period.

By Order of the Board
Byron Shu-Chan Ho
Director

Hong Kong, 28 August 2014

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. Leung Kam Fong and Hsu Hung Chieh; and the Independent Non-Executive Directors are Messrs. John Ho, Philip Wan-Chung Tse, Gene Howard Weiner and Dr. Yip Wai Chun.