WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

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

2015 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 2015 together with comparative figures for the corresponding period in 2014 are as follows :

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	NOTE	***HK$'000***	*HK$'000*
Revenue	*3*	**2,400,751**	2,591,240
Gain on disposal of land and building		**–**	23,899
Other gains		**368**	137
Raw materials and consumables used		**(1,402,890)**	(1,560,371)
Purchases of finished goods		**(485,211)**	(495,486)
Changes in inventories of finished goods and work in progress		**23,085**	(10,311)
Employee benefit expenses		**(337,622)**	(323,706)
Depreciation and amortisation		**(30,905)**	(30,369)
Other expenses		**(142,186)**	(154,425)
Operating profit		**25,390**	40,608
Finance income	*4*	**3,524**	8,116
Finance costs	*4*	**(5,161)**	(7,614)
Finance (costs)/income, net	*4*	**(1,637)**	502

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	NOTE	Six months ended 30 June 2015 (Unaudited) HK$'000	2014 (Unaudited) HK$'000
Share of profit/(loss) of a joint venture		**304**	(443)
Write back of allowance for doubtful debts on amount due from a joint venture		**44**	–
Profit before income tax	*3*	**24,101**	40,667
Income tax expense	*5*	**(12,393)**	(14,320)
Profit for the period		**11,708**	26,347
Attributable to:			
Equity holders of the Company		**9,926**	25,202
Non-controlling interests		**1,782**	1,145
		11,708	26,347
EARNINGS PER SHARE	*6*		
(expressed in HK cents per share)			
– basic		**1.34**	3.41
– diluted		**1.33**	3.40
DIVIDENDS		**–**	–

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2015

	NOTE	**30 June 2015 (Unaudited) *HK$'000***	31 December 2014 (Audited) *HK$'000*
ASSETS			
NON-CURRENT ASSETS			
Land use rights		**13,441**	13,666
Property, plant and equipment		**573,313**	578,968
Prepayments		**798**	798
Intangible assets		**14,481**	16,624
Interests in joint ventures		**992**	639
Deferred tax assets		**4,073**	4,358
Available-for-sale financial assets		**37,045**	36,543
Long-term deposits		**2,929**	2,948
Club membership and debentures		**14,953**	14,956
TOTAL NON-CURRENT ASSETS		**662,025**	669,500
CURRENT ASSETS			
Inventories		**766,222**	719,159
Trade and other receivables	*7*	**1,410,612**	1,337,813
Deposits and prepayments		**35,571**	48,552
Tax recoverable		**389**	403
Derivative financial instruments		**45**	3
Short-term time deposits		**135,210**	99,721
Cash and cash equivalents		**326,932**	282,063
TOTAL CURRENT ASSETS		**2,674,981**	2,487,714
TOTAL ASSETS		**3,337,006**	3,157,214
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for assets retirement obligations		**1,710**	1,710
Deferred tax liabilities		**1,456**	1,665
Retirement benefit obligations		**8,006**	8,187
TOTAL NON-CURRENT LIABILITIES		**11,172**	11,562

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AT 30 JUNE 2015

	NOTE	30 June 2015 (Unaudited) HK$'000	31 December 2014 (Audited) HK$'000
CURRENT LIABILITIES			
Trade, bills and other payables	*8*	**1,001,964**	879,370
Current income tax liabilities		**7,722**	7,226
Bank borrowings – due within one year		**751,253**	689,246
Obligations under finance leases – due within one year		**357**	992
Derivative financial instruments		**748**	816
TOTAL CURRENT LIABILITIES		**1,762,044**	1,577,650
TOTAL LIABILITIES		**1,773,216**	1,589,212
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**74,761**	73,967
Reserves		**1,400,870**	1,403,774
		1,475,631	1,477,741
Non-controlling interests		**88,159**	90,261
TOTAL EQUITY		**1,563,790**	1,568,002
TOTAL EQUITY AND LIABILITIES		**3,337,006**	3,157,214
NET CURRENT ASSETS		**912,937**	910,064
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,574,962**	1,579,564

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**11,708**	26,347
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss		
Currency translation differences	**3,301**	(3,721)
Fair value gains of available-for-sale financial assets, net of tax	**334**	2,334
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**15,343**	24,960
ATTRIBUTABLE TO:		
Equity holders of the Company	**12,131**	23,705
Non-controlling interests	**3,212**	1,255
	15,343	24,960

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 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 2014, 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 2014 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 2015.

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contribution
HKFRSs (Amendments)	Improvements to HKFRSs 2010 – 2012 Cycles
HKFRSs (Amendments)	Improvements to HKFRSs 2011 – 2013 Cycles

The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2015 and have not been early adopted:

		Effective for annual periods beginning on or after
HKAS1 (Amendments)	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	The Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 11 (Amendments)	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 2012 – 2014 Cycles	1 January 2016

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 2015 is as follows:

	Trading	Manufacturing	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue					
External sales	**835,643**	**1,494,758**	**70,350**	**–**	**2,400,751**
Inter-segment sales	**101,794**	**1,401**	**6,968**	**(110,163)**	**–**
Total	**937,437**	**1,496,159**	**77,318**	**(110,163)**	**2,400,751**
Results					
Segment results	**17,260**	**16,661**	**(8,789)**	**258**	**25,390**
Finance income	**1,419**	**232**	**1,873**	**–**	**3,524**
Finance costs	**(290)**	**(4,775)**	**(96)**	**–**	**(5,161)**
	18,389	**12,118**	**(7,012)**	**258**	**23,753**
Share of profit of a joint venture					**304**
Write back of allowance for doubtful debts on amount due from a joint venture					**44**
Profit before income tax					**24,101**

The segment information for the six months ended 30 June 2014 was 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	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

4. FINANCE (COSTS)/INCOME, NET

	Six months ended 30 June	
	2015 ***HK$'000***	2014 *HK$'000*
Interest income	**3,524**	8,116
Interest expense	**(5,161)**	(7,614)
Finance (costs)/income, net	**(1,637)**	502

5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profit for the period. The subsidiaries established in the People's Republic of China (the "PRC") are subject to corporate income tax rate of 25% (2014: 25%). The subsidiaries in Taiwan are subject to corporate income tax rate of 17% (2014: 17%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**3,463**	4,668
Other jurisdictions including PRC corporate income tax	**6,826**	6,512
Withholding tax on dividend declared by subsidiaries	**2,104**	3,140
	12,393	14,320

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	
	2015	2014
Profit attributable to equity holders of the Company (Hong Kong thousands dollar)	**9,926**	25,202
Weighted average number of ordinary shares in issue (thousands)	**740,352**	739,670
Basic earnings per share (Hong Kong cents per share)	**1.34**	3.41

(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	
	2015	2014
Profit attributable to equity holders of the Company (Hong Kong thousands dollar)	**9,926**	25,202
Weighted average number of ordinary shares in issue (thousands)	**740,352**	739,670
Adjustments for share options (thousands)	**5,044**	2,575
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**745,396**	742,245
Diluted earnings per share (Hong Kong cents per share)	**1.33**	3.40

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$1,382,721,000 (At 31 December 2014: HK$1,318,026,000). 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 2015 *HK$'000*	31 December 2014 *HK$'000*
0 to 30 days	**477,131**	476,601
31 to 60 days	**288,382**	403,153
61 to 90 days	**244,149**	161,134
Over 90 days	**373,059**	277,138
	1,382,721	1,318,026

8. TRADE, BILLS AND OTHER PAYABLES

Included in trade, bills and other payables are trade and bills payables (including amounts due to related parties of trading in nature) of HK$745,491,000 (At 31 December 2014: HK$625,085,000).

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

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
0 to 30 days	**607,403**	278,018
31 to 60 days	**59,206**	227,641
61 to 90 days	**40,832**	52,449
Over 90 days	**38,050**	66,977
	745,491	625,085

INTERIM DIVIDEND

The Board of Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

BUSINESS REVIEW

The Group's turnover for the first half of this year was HK$2.4 billion, reflecting a reduction of approximately 7% compared to the same period last year. The Group's profit attributable to shareholders was HK$9.9 million as compared to a profit attributable to shareholders of HK$25.2 million which included a profit of HK$23.7 million on the disposal of a property in Singapore for the same period last year.

The Group's Industrial Product Trading Division registered sales of HK$0.8 billion during the first half of 2015. This represented an increase of approximately 3% and as a result, the Division's operating profit improved by HK$11.6 million compared to the same period last year. All of the Division's major operations recorded improvements in operating profits with the exception of trading operations in the PRC which recorded a slight drop.

The turnover of the Group's OEM Manufacturing Division decreased by approximately 14% to HK$1.5 billion in the first half of this year compared to the same period last year, due to a cyclical reduction in sales volume of some of the OEM products manufactured by the Division. The operating profit reduced by approximately 40% as a result.

FINANCE

The Group has committed bank and other financing facilities totaling HK$3,324 million, of which HK$881 million was drawn down as at 30 June 2015. As at 30 June 2015, the Group's consolidated net borrowings amounted to HK$289 million and total equity amounted to HK$1,564 million, resulting in a net gearing ratio of 18.5%.

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 2014.

HUMAN RESOURCES

As at 30 June 2015, the Group had a total of 6,186 employees of whom 291 were based in Hong Kong, 5,573 in the PRC and 322 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

In view of the uncertainties in the global economic recovery, it is expected that demand for the industrial products distributed by the Group will slow down and the Division will experience a difficult trading environment for the rest of the year.

Orders for the OEM Manufacturing Division in the second half of this year are expected to be slightly improved compared with those in the first half of this year, although orders for the whole of 2015 are anticipated to be less than the orders last year. Costs cutting measures are being implemented in order to alleviate the impact on profitability.

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 2015.

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 2015, with deviations as stated below:

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 the 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 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 12 June 2015 except an Independent 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 2015.

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 2015.

On behalf of the Board, I wish to thank all employees for their continued effort, loyalty and support for the Group throughout the period.

By Order of the Board
Byron Shu-Chan Ho
Director

Hong Kong, 27 August 2015

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 Dr. Leung Kam Fong and Mr. 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.