WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

2007 INTERIM RESULTS (UNAUDITED)

WO KEE HONG (HOLDINGS) LIMITED is an investment holding company with major subsidiaries engaged in the import, marketing, distribution and after-sales service of high quality, brand-name products serving customers in the Asian region and, in particular, the markets of The People's Republic of China ("PRC"*(Note)*), Hong Kong, Macau, Singapore and Malaysia. The products include principally air-conditioning and refrigeration products, audio-visual equipment, car audio and electronic products, cars and car accessories, motor yachts, fashion and accessories, other electronic and electrical products and property investment.

RESULTS

The Directors of Wo Kee Hong (Holdings) Limited (the "Company") announce that the unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended June 30, 2007 were as follows:

Condensed Consolidated Income Statement
For the six months ended June 30

	Notes	**2007** *HK$'000* **(Unaudited)**	2006 *HK$'000* (Unaudited) (Restated)
Turnover	*2*	**457,546**	312,651
Cost of sales		**(372,325)**	(244,929)
Gross profit		**85,221**	67,722
Other operating income		**1,447**	897
Distribution costs		**(30,990)**	(23,176)
Administrative expenses		**(66,232)**	(51,244)
Fair value gains on investment properties		**508**	—
Loss from operations	*3*	**(10,046)**	(5,801)
Finance costs		**(7,690)**	(4,925)
Share of results of associates		**(609)**	(5,776)
Loss before tax		**(18,345)**	(16,502)
Income tax expenses	*4*	**(185)**	(6)
Loss for the period		**(18,530)**	(16,508)
Attributable to:			
Equity holders of the Company		**(20,565)**	(16,685)
Minority interests		**2,035**	177
		(18,530)	(16,508)
Losses per share for loss attributable to the equity holders of the Company — Basic and diluted	*5*	**(9.28) cents**	(7.53) cents
Dividends		**NIL**	NIL

Condensed Consolidated Balance Sheet

	Notes	June 30, 2007 HK$'000 (Unaudited)	December 31, 2006 HK$'000 (Audited)
Non-current assets			
Investment properties		**8,086**	234,918
Property, plant and equipment		**26,907**	100,479
Goodwill		**2,597**	2,597
Interests in associates		**10,466**	10,727
Available-for-sale financial assets		**527**	527
Deferred tax assets		**4,215**	4,215
		52,798	353,463
Current assets			
Inventories		**192,915**	150,477
Properties held for sale, at net realisable value		**23,400**	23,400
Trade and other receivables		**113,392**	149,440
Amounts due from associates		**13,593**	3,951
Other financial assets at fair value through profit or loss		**87**	11
Cash and cash equivalents		**17,870**	40,944
		361,257	368,223
Non-current assets classified as held for sale	*6*	**302,910**	—
		664,167	368,223
Current liabilities			
Trade and other payables		**179,537**	163,567
Bills payable		**31,675**	45,984
Tax payable		**152**	296
Amounts due to related companies		**4,912**	6,914
Obligations under finance leases — due within one year		**1,388**	1,387
Borrowings — due within one year	*7*	**133,916**	122,671
		351,580	340,819

	Notes	**June 30, 2007** *HK$'000* **(Unaudited)**	December 31, 2006 *HK$'000* (Audited)
Liabilities directly associated with non-current assets classified as held for sale	*6*	**25,767**	—
		377,347	340,819
Net current assets		**286,820**	27,404
Total assets less current liabilities		**339,618**	380,867
Non-current liabilities			
Convertible loan note		**29,893**	29,549
Obligations under finance leases — due after one year		**429**	1,121
Borrowings — due after one year	*7*	**8,121**	11,303
Deferred tax liabilities		**6**	19,915
		38,449	61,888
Net assets		**301,169**	318,979
Capital and reserves			
Share capital		**221,715**	221,615
Reserves		**62,114**	82,361
Equity attributable to equity holders of the Company		**283,829**	303,976
Minority interests		**17,340**	15,003
Total equity		**301,169**	318,979

Notes:

1. Significant accounting policies

Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", other relevant HKASs, Interpretations and the Hong Kong Financial Report Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") 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 of Hong Kong Limited.

The unaudited condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2006.

The accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended December 31, 2006, except for the accounting policy disclosed herein.

Non-current assets classified as held for sale

Non-current assets held for sale are classified as held for sale if the carrying amount will be recovered principally through a sale transaction, not through continuing use. The liabilities directly associate with the non-current assets classified as held for sale shall present separately from other liabilities in the balance sheet. Those assets and liabilities shall not be offset and presented as a single amount.

The non-current assets classified as held for sale may be a component of an entity, a disposal group or an individual non-current asset. The non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs.

Application of new and revised HKFRSs

The HKICPA has issued a number of new standards, amendments and interpretations, which are effective for accounting periods beginning on or after January 1, 2007. The Group adopted the following new/revised HKFRSs which are relevant to its operations:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The HKAS 1 (Amendment) and HKFRS 7 are effective to the Group's consolidated financial statements for the year ending December 31, 2007. The HKAS 1 (Amendment) requires disclosures about the level of the Group's capital and the policies and processes for managing capital. HKFRS 7 introduces new disclosures to improve the information about financial instruments.

The directors of the Company assessed the impacts of the adoption of these new/revised HKFRSs and concluded that the adoption of these new/revised HKFRSs have no material impact on the results and the financial position of the Group. Full disclosures as required by HKAS 1 (Amendment) and HKFRS 7 will be made in the Group's annual financial statements for the year ended December 31, 2007.

The Group has not applied the following new/revised HKFRSs, which have been issued but are not yet effective, in the unaudited condensed consolidated financial statements for the six months ended June 30, 2007:

HKAS 23 (Revised)	Capital Disclosures[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions[2]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]

[1] Effective for annual periods beginning on or after January 1, 2009

[2] Effective for annual periods beginning on or after March 1, 2007

[3] Effective for annual periods beginning on or after January 1, 2008

2. Business and geographical segments

Business segments

Prior to the year ended December 31, 2006, the Group organised into five operating divisions: air-conditioning products, audio-visual and other electrical products, cars and car accessories, direct marketing and property investment. With effective from year 2006, the Group has reclassified its previously reporting business segments into three operating divisions: cars and car accessories, electrical appliances and property investment. These divisions are the basis on which the Group reports its primary segment information. Segment information about the business is presented below.

2007

	Cars and car accessories *HK$'000* **(Unaudited)**	Electrical appliances *HK$'000* **(Unaudited)**	Property investment *HK$'000* **(Unaudited)**	Others *HK$'000* **(Unaudited)**	Eliminations *HK$'000* **(Unaudited)**	Consolidated *HK$'000* **(Unaudited)**
Turnover						
External sales	**338,573**	**98,910**	**7,463**	**12,600**	**—**	**457,546**
Inter-segment sales	**—**	**—**	**—**	**—**	**—**	**—**
Total turnover	**338,573**	**98,910**	**7,463**	**12,600**	**—**	**457,546**
Results						
Segment results	**2,123**	**27**	**3,384**	**(5,286)**	**—**	**248**
Unallocated corporate expenses						**(10,294)**
Loss from operations						**(10,046)**
Finance costs						**(7,690)**
Share of result of an associate	**(609)**	**—**	**—**	**—**	**—**	**(609)**
Loss before tax						**(18,345)**
Income tax expenses						**(185)**
Loss for the period						**(18,530)**

2006 (restated)

	Cars and car accessories HK$'000 (Unaudited)	Electrical appliances HK$'000 (Unaudited)	Property investment HK$'000 (Unaudited)	Others HK$'000 (Unaudited)	Eliminations HK$'000 (Unaudited)	Consolidated HK$'000 (Unaudited)
Turnover						
External sales	192,936	114,392	4,440	883	—	312,651
Inter-segment sales	—	880	—	—	(880)	—
Total turnover	192,936	115,272	4,440	883	(880)	312,651

Inter-segment sales are charged at prevailing market rates.

Results						
Segment results	4,425	(1,013)	151	(16)	—	3,547
Unallocated corporate expenses						(9,348)
Loss from operations						(5,801)
Finance costs						(4,925)
Share of results of associates	317	(6,093)	—	—	—	(5,776)
Loss before tax						(16,502)
Income tax expenses						(6)
Loss for the period						(16,508)

Geographical segments

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, PRC 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		Contribution to operating results	
	Six months ended June 30		**Six months ended June 30**	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		(Restated)		(Restated)
Hong Kong	**388,127**	261,124	**(294)**	1,053
Singapore	**32,564**	25,802	**777**	877
Malaysia	**14,896**	13,533	**859**	784
PRC	**15,369**	4,445	**(2,587)**	(172)
Macau	**5,862**	7,747	**17**	108
Others	**728**	—	**29**	—
	457,546	312,651	**(1,199)**	2,650
Other operating income			**1,447**	897
Unallocated corporate expenses			**(10,294)**	(9,348)
Loss from operations			**(10,046)**	(5,801)

3. Loss from operations

	Six months ended June 30	
	2007	2006
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss from operations has been arrived at after charging:		
Cost of inventories recognised as expenses (included in cost of sales)	**372,325**	244,173
Depreciation of:		
Owned assets	**4,742**	3,580
Assets held under finance leases	**441**	76
Staff costs, including directors' emoluments	**41,800**	32,468
Loss on disposal of property, plant and equipment	**7**	—
Share-based payment expenses	**172**	—
and crediting:		
Interest income	**544**	77

4. Income tax expenses

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit arising in Hong Kong for the period.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

	Six months ended June 30	
	2007	2006
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	**(366)**	—
Overseas taxation	**(13)**	(6)
	(379)	(6)
Deferred tax :		
Current period	**194**	—
Income tax expenses attributable to the Company and its subsidiaries	**(185)**	(6)

5. Losses per share

The calculation of the basic losses per share is based on the loss for the period attributable to equity holders of the Company of approximately HK$20,565,000 (2006: loss of approximately HK$16,685,000) and on the weighted average number of 221,617,643 ordinary shares (2006: 221,615,433 ordinary shares) in issue during the period.

No diluted losses per share has been presented for both periods as the assumed exercise and conversion of the Company's outstanding share options and convertible loan note would have anti-dilutive effect on losses per share.

6. Non-current assets classified as held for sale

On September 13, 2007, Wo Kee Hong (B.V.I.) Limited ("WKH BVI"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("Sale and Purchase Agreement") that WKH BVI agreed to sell the entire issued share capital of Wo Kee Hong Estates Limited ("WKH Estates"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of WKH BVI, and Ever Rising Investments Limited ("Ever Rising"), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of WKH BVI.

WKH Estates is an investment holding company and the sole asset of WKH Estates is its interest in the entire issued capital of Stoneycroft Estates Limited ("Stoneycroft"), a company incorporated in Hong Kong with limited liability. Stoneycroft and Ever Rising (together with WKH Estates collectively referred as "Disposal Group") are principally engaged in the business of property holding and the major assets of Stoneycroft and Ever Rising include Wo Kee Hong Building, which locates at Nos. 585–609 Castle Peak Road, Kwai Chung, New Territories, Hong Kong.

The major classes of assets and liabilities of the Disposal Group as at June 30, 2007, which have been presented separately in the condensed consolidated balance sheet as held for sale in accordance with the provision of HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", are as follows:

	HK$'000 **(Unaudited)**
Investment properties	227,340
Property, plant and equipment	75,046
Trade and other receivables	346
Cash and cash equivalents	178
Non-current assets classified as held for sale	302,910
Trade and other payables	4,994
Tax payable	427
Amount due to a related company	632
Deferred tax liabilities	19,714
Liabilities directly associated with non-current assets classified as held for sale	25,767

Investments properties and land and building classified as held for sale of approximately HK$227,340,000 and HK$75,046,000 had been pledged by the Group to secure facilities granted to the Group (note 9).

7. Borrowings

	June 30, 2007 *HK$'000* **(Unaudited)**	December 31, 2006 *HK$'000* (Audited)
Bank overdrafts	**24,603**	18,921
Bank loans	**117,434**	115,053
	142,037	133,974
Secured *(note 9)*	**132,211**	123,869
Unsecured	**9,826**	10,105
	142,037	133,974
The maturities of the above loans are as follows:		
Within one year	**133,916**	122,671
More than one year, but not exceeding two years	**4,725**	7,812
More than two years, but not exceeding five years	**623**	606
More than five years	**2,773**	2,885
	142,037	133,974
Less: Amounts due within one year shown under current liabilities	**(133,916)**	(122,671)
Amounts due after one year	**8,121**	11,303

The fair value of the Group's borrowings at June 30, 2007 approximate to the corresponding carrying amounts.

8. Contingent liabilities

(a) The Company had provided corporate guarantees to certain banks for banking and other facilities make available to subsidiaries in amount of approximately HK$384,544,000 (December 31, 2006: HK$320,540,000).

(b) The Company had provided other guarantees issued for subsidiaries in the amount of approximately HK$5,120,000 (December 31, 2006: HK$5,079,000).

(c) At June 30, 2007, the Group had a contingent liability of approximately HK$1,400,000 (December 31, 2006: approximately HK$1,200,000) in respect of proceedings involving a subsidiary of the Company in India.

(d) Under a share purchase and subscription agreement signed on June 30, 2006, a subsidiary of the Company was obliged to issue a bank guarantee amounting to RMB11 million to the purchaser to guarantee the performance of its obligations in respect of the agreement to dispose of the investment in Jiangmen. As at June 30, 2007, a bank guarantee relating to the said agreement was issued in the amount of HK$11,000,000 (December 31, 2006: HK$11,000,000).

9. **Pledge of assets**

	June 30, 2007 *HK$'000* **(Unaudited)**	December 31, 2006 *HK$'000* (Audited)
Investment properties classified as non-current assets	**5,586**	232,418
Investment properties included in non-current assets classified as held for sale	**227,340**	—
Inventories	**53,386**	24,299
Land and buildings classified as non-current assets	**—**	76,161
Land and buildings included in non-current assets classified as held for sale	**75,046**	—
Properties held for sale	**23,400**	23,400
Deposits in bank	**9,618**	8,500
All assets of a subsidiary	**17,113**	20,345

The amounts represent assets pledged to banks and other licensed financial institution to secure banking facilities granted to the Group. The pledged assets will be released upon the settlement of relevant borrowings.

INTERIM DIVIDEND

The Directors have resolved not to declare the payment of an interim dividend (2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FINANCIAL REVIEW

Results

For the first half of 2007, Group turnover recorded a high double-digit growth of 46.3% to HK$457.5 million, compared with HK$312.7 million of the same period last year (as restated). Despite the scale down of the audio visual products business, we were able to maintain an overall upsurge due to the robust growth of our car operations.

Gross profit margin for the first half decreased by 3.1% from 21.7% in 2006 (as restated) to 18.6% in 2007 whilst gross profit increased by HK$17.5 million to HK$85.2 million (2006: HK$67.7 million as restated). This erosion of profit margin was mainly due to the increase in product costs of cars during the reporting period.

Distribution costs were up by 33.6% to HK$31.0 million (2006: HK$23.2 million), due mainly to the corresponding increase in turnover mentioned above as well as increased advertising cost as a result of promotion programs for new brands and products introduced in this period. The increase in administrative expenses of HK$15.0 million from HK$51.2 million of last period to HK$66.2 million in this period is mainly attributed to the corresponding increase in turnover as well as additional staff cost and the associated disbursements incurred in our endeavor to exploring potential new business and investment.

The Board regrets to report a loss from operations at HK$10.0 million for the first half of 2007 (2006: loss of HK$5.8 million). This was mainly due to the following factors: downswing of the audio visual business; the delay of shipments of "Alfa Romeo" cars from the factory; the loss incurred in the "Motor Yacht" business which is in its investment stage; the set-up costs incurred for new lifestyle brands the revenue of which is yet to reflect in our results. With progress being made and actions taken, we are confident that, during the second half of 2007, those negative issues will either be eliminated or improved significantly for the Company to return to a healthy position.

Finance costs rose by HK$2.8 million from last period's HK$4.9 million to HK$7.7 million. In addition to finance the operating loss of some businesses, certain amounts of cash were utilized for the purchase of stocks in order to fuel the expansion of our Car Group and investment in new business segments.

"Share of results of associates" recorded a net loss of HK$0.6 million (2006: loss of HK$5.8 million) being the share of loss of our joint-venture car trading company in Shanghai. By disposal of our associated company in Jiangmen last year, we are saved from suffering the share of loss of this investment.

The board regrets to report a loss attributable to shareholders of HK$20.6 million (2006: HK$16.7 million), the reasons for which were highlighted above.

Cash flow, liquidity and financial resources

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.

A net outflow of cash of HK$29.0 million (2006: HK$21.8 million) was recorded, representing the aggregate of funds used in operating, investing and financing activities in the reporting period.

At June 30, 2007, the Group had total borrowings amounting to HK$142.0 million (December 31, 2006: HK$134.0 million). The Group's long term gearing ratio stood at 13.5% (December 31, 2006: 13.8%), based on long term liabilities (excluding deferred tax) of HK$38.4 million (December 31, 2006: HK$42.0 million) and shareholders' equity of HK$283.8 million (December 31, 2006: HK$304.0 million). The current ratio was 1.8 (December 31, 2006: 1.1), based on current assets of HK$664.2 million (December 31, 2006: HK$368.2 million) and current liabilities of HK$377.3 million (December 31, 2006: HK$340.8 million).

It is the Group's management practice to hedge foreign currency transactions with the objective to stabilize the cost via the pegging of the exchange rates with our banks. Accordingly, the Group was not exposed to material fluctuations in exchange rates and related hedges during the period under review. At June 30, 2007 the total outstanding foreign exchange contracts purchased with banks amounted to HK$16.3 million (December 31, 2006: HK$7.0 million).

The Group had trading facilities at June 30, 2007 amounting to HK$352.2 million (December 31, 2006: HK$288.8 million) of which HK$219.5 million (December 31, 2006: HK$186.1 million) was utilized. Certain of the Group's properties, inventories, bank deposits and all assets of a subsidiary were pledged at this period end in an aggregate amount of HK$411.5 million (December 31, 2006: HK$385.1 million) to secure facilities granted and also a guarantee issued by our banks.

The Group had no material capital commitment at June 30, 2007 (December 31, 2006: HK$2.4 million). At June 30, 2007 the Group had contingent liabilities of approximately HK$1.4 million (December 31, 2006: HK$1.2 million) in respect of proceedings involving a subsidiary in India and HK$11 million (December 31, 2006: HK$11 million) in respect of a bank guarantee issued to the purchaser of the disposed associate in Jiangmen.

BUSINESS REVIEW

Cars and Car Accessories

The business consists mainly of the import, distribution and after-sales service of Italian "Ferrari", "Maserati" and "Alfa Romeo" cars and spare parts in Hong Kong and Macau. By the end of last year, we also started a "Ferrari" and "Maserati" car dealership in Dalian, northern China.

Compared to the same period last year, sales in Hong Kong and Macau increased by 74% to HK$304 million; income from after-sales service also increased by 16% as a result of our expanded service facilities and increased ownership of these brands.

Sales of the "Ferrari" 8-cylinder models, the F430 and F430 Spider, remained strong, whilst the newly launched "Ferrari" 12-cylinder 599 GTB Fiorano was a great success and completely dominated the 12-cylinder super car market. Our order portfolio of "Ferrari" commands a lead time of over two years.

Regarding "Maserati", the brand achieved a margin boost in our markets with the arrival of the new Quattroporte Automatic, which led to good increase in sales.

Our dealership in Dalian was very successful and sales for the first half of the year for both "Ferrari" and "Maserati" cars were satisfactory. We expect this dealership to continue to perform well in the second half as the local markets are being cultivated with our strong marketing activities and the forthcoming participation in the motor shows in Shenyang and Dalian.

Additional sales were also achieved due to the addition of Ferrari's customized options as we successfully encouraged our customers to enhance the exclusivity of each of these new cars.

The motor car business segment is expected to continue to do well for the remainder of the year with the strong sales momentum of "Ferrari" continuing to fulfill its order portfolio; the anticipated introduction of the new "Ferrari" F430 Scuderia in the later part of the year will further fuel the sales growth. Sales of "Maserati" is expected to further increase due to the widened appeal of the Quattroporte Automatic sports sedan and the exciting arrival of the all-new GranTurismo four-seater coupe. This is expected to be an instant success by the second half of the year.

Total sales of the car business segment increased significantly by over 75%; however, the profit margin was lowered due to an increase in product costs.

Sales of “Alfa Romeo” started slowly due to a delay in incoming shipments from the factory. With the opening of the “Alfa Romeo” Centre and the city showroom, we expect the business will gradually improve. The new range of 159 sedan, 159 Sportwagon and Brera 2+2 coupe were well-received. The allocation of the top-of-the-line 8C Competizione super-sports car is all sold out even before its first delivery. The anticipated forthcoming introduction of the limited edition of the 8C Spider will further widen the product range. We are confident the business of this brand will continue to flourish.

Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliance products from four major brands, namely, “MHI” (Mitsubishi Heavy Industries of Japan), “Frigidaire”, “Sansui” and “Daewoo” and audio-visual products of our own “Rogers” and “Bodysonic”, “Marantz” “Denon” and “Sansui” audio-visual products of Japan and “Alpine” car electronics of Japan. The product ranges are well placed in the market to suit the needs of different market segments. They include high quality residential and commercial air-conditioning equipment, electrical home appliances like refrigerators, freezers, washing machines and wine coolers and car electronics products like car CD player, DVD player and monitor.

Turnover for the first half of 2007 was HK$98.9 million which were decreased by 13.5% when compared with the same period of 2006. The general market of audio-visual and car electronics softened and explained the decline in sales in this segment.

The market responded well to the newly-introduced high energy efficiency air-conditioners. We were able to achieve higher profit margins with the new products and we expect this business segment to continue to be profitable and stable.

The profit margin of our own “Rogers” brand improved as we refocused to develop high-margin audio products and lowered the expenses by relocating operations. We expect their performances are stable in the remainder of the year.

Motor Yachts

The business consists of import and distribution of the Italian “Ferretti” and the leading Taiwanese “Horizon” motor yachts. The sale of a “Ferretti” motor yacht marked the beginning of a new business for the Group. With the arrival of new “Horizon” motor yachts and the opening of its showroom next to the Aberdeen Marina Club, we expect this business will gradually grow. This year is important for us in preparing for future business.

Property Investment

Leasing income from our property investment increased with the close to full occupation of our Wo Kee Hong Building. The rental income was HK$7.5 million which was increased by 70.5% when compared with the same period of 2006. Recently the Group entered into a sale and purchase agreement which in effect will dispose of Wo Kee Hong Building. Details of the disposal are set out in the paragraph headed "Subsequent Events" below.

Human Resources

At June 30, 2007, the total number of employees of the Group, excluding associates, was 388 (2006: 348), representing an 11.5% increase in headcount. This is due to the expansion of our car business group including the set-up of new business units for the distribution of "Alfa Romeo" cars and the set up of "Horizon" motor yachts as well as luxury branded fashion and accessories businesses. With the continued expansion in the PRC and in the direction of securing more luxurious brands for distribution, we encouraged recruitment of local staff. The management is committed to staff motivation and training in order to ensure that our staff remain stable and yet be competitive and dynamic in the marketplace.

SUBSEQUENT EVENTS

On August 13, 2007, National Cape Development Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 10% issued share capital in Corning Investments Limited ("Corning") at a consideration of HK$36 million. Corning is interested in the entire issued share capital of Digital Outdoor Television (Hong Kong) Limited which together with its wholly-owned subsidiary, Today's Media Limited, are principally engaged in the business of the provision of outdoor media advertising and broadcasting network. The consideration of the acquisition was satisfied by the issue and allotment of shares of the Company. The transaction completed on August 24, 2007 and a total 31,266,284 representing approximately 12.25% of the issued share capital of the company as enlarged by the issue of the consideration shares immediately after the completion.

On September 13, 2007, the Group entered into a sale and purchase agreement pursuant to which the Group shall dispose of the entire issued share capital of Wo Kee Hong Estates Limited and Ever Rising Investments Limited for a total consideration of HK$373,000,000. Ever Rising Investments Limited and Wo Kee Hong Estates Limited are wholly owned subsidiaries of the Company which directly and indirectly own Wo Kee Hong Building. The transaction constitutes a very substantial disposal and is subject to, *inter alia*, approval of the shareholders in the special general meeting. Completion of the transaction is scheduled to take place on November 29, 2007. The details of the transaction are set out in the announcement of the Company dated September 14, 2007.

PROSPECTS

Economic growth in our key markets will continue to be strong in the second half year and in 2008.

Our car business of "Ferrari" and "Maserati" will grow significantly and "Alfa Romeo" car sales will gradually climb.

The air-conditioning and electrical appliances business will remain stable and profitable. The Group plans to add new products and brands with higher profit margins and price ranges.

New lifestyle brands are being secured to commence business in the second half year. This will generate synergy amongst the various kinds of products represented by us in our efforts to build a platform of lifestyle brands.

On September 13, 2007, a sale and purchase agreement was entered into for the disposal of subsidiaries holding Wo Kee Hong Building, and when successfully completed, the disposal will generate a significant profit and cash inflow for the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2007, the Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the six months ended June 30, 2007 except in relation to the separation of the role 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. Mr. 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 2005 annual report.

In addition, the Board which comprises experienced and high caliber individuals meets regulatory 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 of 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 six months ended June 30, 2007.

AUDIT COMMITTEE

The Company set up an Audit Committee comprising Mr. Raymond Cho Min LEE (Chairman), Mr. Boon Seng TAN and Mr. Ying Kwan CHEUNG, all of whom are Independent Non-executive Directors of the Company. In establishing the terms of reference for this Committee, the Directors have had regard to "A Guide for Effective Audit Committee" issued by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in February 2002 and the Code on Corporate Governance Practices.

The Audit Committee of the Company has reviewed the interim results and the Interim Report 2007, and was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

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

Hong Kong, September 18, 2007

As at the date of this announcement, the Board comprises Mr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE, Mr. Tik Tung WONG and Mr. Waison Chit Sing HUI, all of whom are Executive Directors, Ms. Kam Har YUE, who is a Non-executive Director, Mr. Boon Seng TAN, Mr. Raymond Cho Min LEE and Mr. Ying Kwan CHEUNG, all of whom are Independent Non-executive Directors.

Note: For the sole purpose of this announcement, PRC excludes Hong Kong and Macau Special Administrative Region.