WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

2008 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, in particular, the markets of The People's Republic of China ("PRC" *(Note)*), Hong Kong, Macau, Singapore and Malaysia, and property investment. The products include principally cars and car accessories, motor yachts, helicopters, premium fashion apparels and accessories, air-conditioning and refrigeration products, audio-visual equipment, car audio and electronic products.

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, 2008 were as follows:

Condensed Consolidated Income Statement
For the six months ended June 30

	Notes	**2008** *HK$'000* **(Unaudited)**	2007 *HK$'000* (Unaudited)
Turnover	*3*	**540,921**	457,546
Cost of sales		**(437,954)**	(372,325)
Gross profit		**102,967**	85,221
Other operating income		**2,807**	1,447
Distribution costs		**(41,335)**	(30,990)
Administrative expenses		**(72,517)**	(66,232)
Fair value gains on investment properties		**–**	508
Loss from operations	*4*	**(8,078)**	(10,046)
Finance costs		**(3,812)**	(7,690)
Provision for guarantee		**(950)**	–
Share of results of associates		**–**	(609)
Loss before tax		**(12,840)**	(18,345)
Income tax expenses	*5*	**(473)**	(185)
Loss for the period		**(13,313)**	(18,530)
Attributable to:			
Equity holders of the Company		**(17,825)**	(20,565)
Minority interests		**4,512**	2,035
		(13,313)	(18,530)
Losses per share for losses attributable to the equity holders of the Company – Basic and diluted (restated)	*6*	**(5.82) cents**	(7.54) cents
Dividends		**NIL**	NIL

Condensed Consolidated Balance Sheet

	Notes	**June 30, 2008** *HK$'000* **(Unaudited)**	December 31, 2007 *HK$'000* (Audited)
Non-current assets			
Investment properties		**17,641**	9,600
Property, plant and equipment		**47,453**	44,541
Prepaid lease payments		**1,565**	1,558
Goodwill		**27,087**	2,787
Interests in associates		**114**	–
Available-for-sale financial assets		**30,527**	30,527
Deferred tax assets		**18**	16
		124,405	89,029
Current assets			
Inventories		**248,206**	124,993
Properties held for sale, at net realisable value		**23,400**	23,400
Trade and other receivables		**221,596**	185,075
Amounts due from associates		**34,974**	14,260
Other financial assets at fair value through profit or loss		**17**	17
Cash and cash equivalents		**248,850**	363,949
		777,043	711,694
Current liabilities			
Trade and other payables		**359,670**	243,956
Bills payables		**32,903**	36,758
Tax payables		**1,363**	162
Amounts due to related companies		**974**	1,343
Convertible loan note		**30,538**	30,207
Obligations under finance leases – due within one year		**74**	936
Borrowings – due within one year	7	**69,799**	70,827
		495,321	384,189
Net current assets		**281,722**	327,505
Total assets less current liabilities		**406,127**	416,534

	Notes	**June 30, 2008** *HK$'000* **(Unaudited)**	December 31, 2007 *HK$'000* (Audited)
Non-current liabilities			
Obligations under finance leases – due after one year		**141**	168
Borrowings – due after one year	*7*	**22,285**	13,506
Deferred tax liabilities		**6**	6
		22,432	13,680
Net assets		**383,695**	402,854
Capital and reserves			
Share capital		**30,638**	255,314
Reserves		**334,476**	125,064
Equity attributable to equity holders of the Company		**365,114**	380,378
Minority interests		**18,581**	22,476
Total equity		**383,695**	402,854

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 Hong Kong Accounting Standards ("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 have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values.

The unaudited condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2007.

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 consolidated financial statements for the year ended December 31, 2007, except for the accounting policy disclosed herein.

2. 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, 2008. The Group adopted the following new/revised HKFRSs which are relevant to its operations:

HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction

The directors of the Company assessed the impacts of the adoption of these new interpretation and concluded that the adoption of these new interpretation had no material impact on the results or the financial position of the Group for the current or prior accounting period. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised HKASs and HKFRSs or interpretations that have been issued but are not yet effective in the unaudited condensed consolidated financial statements for the six months ended June 30, 2008:

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[3]

1 Effective for annual periods beginning on or after January 1, 2009
2 Effective for annual periods beginning on or after July 1, 2009
3 Effective for annual periods beginning on or after July 1, 2008

3. Business and geographical segments

Business segments

The principal activities of the Group are 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 these businesses is presented below.

Six months ended June 30, 2008

	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	**428,437**	**103,512**	**515**	**8,457**	**–**	**540,921**
Inter-segment sales	**–**	**–**	**–**	**–**	**–**	**–**
Total turnover	**428,437**	**103,512**	**515**	**8,457**	**–**	**540,921**
Results						
Segment results	**13,915**	**2,073**	**151**	**(12,311)**	**–**	**3,828**
Unallocated corporate expenses						**(11,906)**
Loss from operations						**(8,078)**
Finance costs						**(3,812)**
Provision for guarantee						**(950)**
Loss before tax						**(12,840)**
Income tax expenses						**(473)**
Loss for the period						**(13,313)**

Six months ended June 30, 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)

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 **Six months ended June 30**		Contribution to operating results **Six months ended June 30**	
	2008 ***HK$'000*** **(Unaudited)**	2007 *HK$'000* (Unaudited)	**2008** ***HK$'000*** **(Unaudited)**	2007 *HK$'000* (Unaudited)
Hong Kong	**428,242**	388,127	**885**	(294)
Singapore	**39,473**	32,564	**1,972**	777
Malaysia	**17,669**	14,896	**2,042**	859
PRC	**51,345**	15,369	**(3,776)**	(2,587)
Macau	**4,192**	5,862	**(102)**	17
Others	**–**	728	**–**	29
	540,921	457,546	**1,021**	(1,199)
Other operating income			**2,807**	1,447
Unallocated corporate expenses			**(11,906)**	(10,294)
Loss from operations			**(8,078)**	(10,046)

4. **Loss from operations**

	Six months ended June 30	
	2008	2007
	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)	**437,954**	372,325
Amortisation of prepaid lease payments	**17**	–
Depreciation of:		
– owned assets	**4,908**	4,742
– assets held under finance leases	**376**	441
Staff costs, including directors' emoluments	**55,500**	41,800
Loss on disposal of property, plant and equipment	**–**	7
Share-based payment expenses	**–**	172
and crediting:		
Interest income	**4,815**	544
Gain on disposal of property, plant and equipment	**985**	–

5. **Income tax expenses**

No provision for Hong Kong Profits Tax has been provided during the period as the Group did not have assessable profits during the period (2007: 17.5%).

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

	Six months ended June 30	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	**–**	366
Overseas	**475**	13
	475	379
Deferred tax:		
Hong Kong	**–**	(194)
Overseas	**(2)**	–
Income tax expenses attributable to the Company and its subsidiaries	**473**	185

6. **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$17,825,000 (2007: HK$20,565,000) and on the weighted average number of ordinary shares in issue during the period of 306,377,710 (2007: 272,680,594 (restated)) after adjusting for the effects of bonus shares issue approved on April 30, 2008. The basic losses per share for 2007 had been adjusted accordingly.

Diluted losses per share for the periods ended June 30, 2008 and 2007 were the same as the basic losses per share. The Company's outstanding share options and convertible loan note were not included in the calculation of diluted losses per share because the effects of the Company's outstanding share options and convertible loan note were anti-dilutive.

7. Borrowings

	June 30, 2008 *HK$'000* **(Unaudited)**	December 31, 2007 *HK$'000* (Audited)
Bank overdrafts	**1,147**	583
Bank loans	**90,937**	83,750
	92,084	84,333
Secured *(note 9)*	**81,376**	75,309
Unsecured	**10,708**	9,024
	92,084	84,333
The maturities of the above loans are as follows:		
Within one year	**69,799**	70,827
More than one year, but not exceeding two years	**3,734**	2,760
More than two years, but not exceeding five years	**11,644**	4,305
More than five years	**6,907**	6,441
	92,084	84,333
Less : Amounts due within one year shown under current liabilities	**(69,799)**	(70,827)
Amounts due after one year	**22,285**	13,506

The fair values of the Group's borrowings at June 30, 2008 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$327,890,000 (December 31, 2007: HK$279,862,000).

(b) The Company had provided other guarantees issued for subsidiaries in the amount of approximately HK$14,321,000 (December 31, 2007: HK$24,559,000).

(c) Under a share purchase and subscription agreement signed on June 30, 2006, a subsidiary of the Company provide a guarantee amounting to a maximum of RMB11 million (approximately HK$11.8 million) in settlement of certain liabilities of the disposed entity incurred prior to disposal. During the period ended June 30, 2008, approximately HK$8,450,000 were paid under the guarantee and HK$950,000 (December 31, 2007: HK$7,500,000) has been recognised in the consolidated financial statements of the Group. At June 30, 2008, the outstanding balance of the guarantee was approximately HK$5,100,000 (December 31, 2007: HK$3,500,000).

(d) Under a share acquisition agreement signed on May 16, 2008, a subsidiary of the Company agrees to acquire 60% of the issued share capital in Creative Pacific Limited at a consideration of HK$19,500,000. The balance of the consideration of HK$9,750,000 is subject to adjustments to be made and shall be paid in two installments. For details, please refer to the Company's circular dated June 6, 2008.

9. Pledge of assets

	June 30, 2008 *HK$'000* **(Unaudited)**	December 31, 2007 *HK$'000* (Audited)
Inventories	**9,218**	19,601
Investment properties	**15,141**	7,100
Properties held for sale	**23,400**	23,400
Deposits in bank	**92,252**	86,796
Property, plant and equipment	**16,313**	–
All assets of a subsidiary	**20,887**	19,602

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 bank borrowings.

INTERIM DIVIDEND

The Directors have resolved not to declare the payment of an interim dividend (2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FINANCIAL REVIEW

Results

For the first half of 2008, Group turnover recorded a double-digit growth of 18.2% to HK$540.9 million, compared to HK$457.5 million for the same period last year. This upsurge in turnover was mainly due to the continued growth of our car business.

Gross profit margin for the first half increased by 0.4% from 18.6% in 2007 to 19.0% in 2008 whilst gross profit increased by HK$17.8 million to HK$103.0 million (2007: HK$85.2 million).

Distribution costs were up by 33.2% to HK$41.3 million (2007: HK$31.0 million), due mainly to a general increase in these costs under the current inflationary economy together with the corresponding increase in selling costs due to enlarged turnover. The 9.5% increase in administrative expenses of HK$6.3 million from HK$66.2 million of last period to HK$72.5 million in this period is mainly attributed to increased overheads and costs incurred to achieve the corresponding increase in turnover.

The Board regrets to report a loss from operations of HK$8.1 million for the first half of 2008 (2007: HK$10.0 million). This was mainly due to the loss incurred in the "Motor Yacht" business while it was in its investment stage and the set-up costs incurred for new lifestyle products which have yet to be recovered from future revenues. However, we are confident that these negative elements will be very much mitigated, if not eliminated, in the coming months as a result of progress of business development as well as corrective measures taken against inefficient operations.

Finance costs dropped by HK$3.9 million from last period's HK$7.7 million to HK$3.8 million. This improved cash flow position was derived from the timely disposal of Wo Kee Hong Building last year.

The Board regrets to report a loss attributable to shareholders of HK$17.8 million (2007: HK$20.6 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$118.2 million (2007: HK$29.0 million) was recorded, representing the aggregate of funds used in operating, investing and financing activities in the reporting period.

At June 30, 2008, the Group had total borrowings amounting to HK$92.1 million (December 31, 2007: HK$84.3 million). The Group's long term gearing ratio stood at 6.1% (December 31, 2007: 3.6%), based on non-current liabilities (excluding deferred tax) of HK$22.4 million (December 31, 2007: HK$13.7 million) and shareholders' equity of HK$365.1 million (December 31, 2007: HK$380.4 million). The current ratio was 1.6 (December 31, 2007: 1.9), based on current assets of HK$777.0 million (December 31, 2007: HK$711.7 million) and current liabilities of HK$495.3 million (December 31, 2007: HK$384.2 million).

It is the Group's management practice to hedge foreign currency transactions with the objective to substantially stabilize costs via the pegging of the exchange rates with bankers. Accordingly, the Group was not exposed to material fluctuations in exchange rates and related hedges during the period under review. At June 30, 2008 the total outstanding foreign exchange contracts purchased with banks amounted to HK$30.4 million (December 31, 2007: HK$11.1 million).

The Group had trading facilities at June 30, 2008 amounting to HK$310.6 million (December 31, 2007: HK$274.2 million) of which HK$168.1 million (December 31, 2007: HK$150.2 million) were utilized. Certain of the Group's properties, inventories, cash deposits and all assets of a subsidiary were pledged at this period end in an aggregate amount of HK$177.2 million (December 31, 2007: HK$156.5 million) to secure facilities granted and a guarantee issued by our banks.

The Group had capital commitment at June 30, 2008 amounting to HK$24.4 million (December 31, 2007: HK$0.6 million). At June 30, 2008 the Group had contingent liabilities of approximately HK$5.1 million (December 31, 2007: HK$3.5 million) in respect of a bank guarantee issued by a subsidiary to the purchaser of the disposed associate in Jiangmen and HK$9.8 million (subject to adjustment) (December 31, 2007: nil) in respect of the acquisition of a subsidiary under an agreement signed during the reporting period.

BUSINESS REVIEW

Cars and Car Accessories

The business consists mainly of the import, distribution and after-sales service of Italian "Ferrari", "Maserati", "Alfa Romeo" and "Fiat" cars and spare parts in Hong Kong and Macau. Since the end of 2006, we had also been operating a "Ferrari" and "Maserati" car dealership in Dalian, Northern China.

Compared to the same period last year, turnover increased by 26.5% to HK$428.4 million as a result of continued growth of car trading business and our expanded service facilities and increased ownership of these brands.

Sales of the "Ferrari" 8-cylinder models, the F430 and F430 Spider, continued to be strong; the newly launched 430 Scuderia generated an excellent response in the market. For the 12-cylinder models, the 599 GTB Fiorano enjoyed great success whilst the new 612 Scaglietti "One-to-One" contributed good additional sales. The Group's order portfolio for Ferrari continued to remain healthy with an overall lead-time of close to two years for the current range. Overall interest and demand remained healthy with the launch of the F430 Scuderia model late last year adding further impetus. Although competition became more intensive, "Ferrari" retained its dominance in Hong Kong with a "Sports Car" segment share of close to 50%.

Ferrari's forthcoming model, now named the California, will be launched at the Paris Motor Show in the fourth quarter of 2008. Interest in this car is already significant, with close to 150 orders placed with the Group as at the end of June. First deliveries are expected to begin during the second quarter of 2009.

As for the other major brand, "Maserati", its brand awareness continued to increase in the market; together with the introduction of the new Quattroporte Sport GTS, the very good sales of the Quattroporte Automatic and the very high demand for the GranTurismo, "Maserati" unit sales increased by about 170% over the same period last year. The GranTurismo enjoys an order portfolio of some 12 months. Deliveries of the new "Maserati" GranTurismo S are expected to boost sales further.

Our dealership in Dalian continued to achieve budgeted results with good sales of both "Ferrari" and "Maserati" cars. Our participation in the Shenyang Motor Show made a good impression in this largest city of Northeastern China, followed by satisfactory sales. The Group is also very encouraged by having been awarded, in principle, a second dealership in China for both "Ferrari" and "Maserati" cars. We are confident that this new territory will bring in good additional sales and profit to the Group when it will open in the last quarter of 2008.

The PDI (Pre-delivery Inspection) work being carried out by the Group on behalf of Ferrari Maserati Cars International Trading Co., Ltd. in Shanghai generated good additional income with the opening of a new, dedicated PDI Centre in April.

The "Alfa Romeo" business was slow due to a highly competitive market environment. We expect to see improvement in the second half of the year. The new "Fiat" business started well, with a good number of the new Cinquecento (500) model pre-sold.

The entire Group's new and newly refurbished "Ferrari", "Maserati", "Alfa Romeo" and "Fiat" facilities are now fully operational. Plans are being made for the re-location of our Tokwawan, Kowloon "Ferrari" and "Maserati" service centre in the second half of 2008.

Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliance products from major brands, namely "MHI" (Mitsubishi Heavy Industries of Japan), "Frigidaire", "Sansui" and "Daewoo", and audio-visual products of our own "Rogers" and "Bodysonic" brands, "Marantz" and "Denon" 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, wine coolers and car electronics products like car CD, iPod and DVD players, TV monitors and GPS navigation systems.

Turnover for the first half of 2008 was HK$103.5 million which increased by 4.7% when compared with the same period of 2007.

The exceptionally cool weather in May and the successive rainy days in June and July caused a downturn to the air-conditioning business. Jobbers and retailers were tied down with high inventory which resulted in price dumping in the market. The Group responded by lowering its inventory level and putting more effort into developing the small and medium business sectors with our commercial air-conditioners.

Our own British "Rogers" brand performed well in the period with the relaunch of the legendary LS 3/5a monitor speaker system; a total of 12 Rogers shop-in-shop counters were opened in major chain stores in Eastern China. We expect the "Rogers" business to continue to grow in the second half of 2008.

The Group was also awarded the exclusive distributorship of the top end luxurious audio brand "Steinway Lyngdorf" for Hong Kong, Macau and PRC. We are confident that this new brand will further improve the sales and profitability of our audio-visual business.

Our subsidiary in Singapore achieved the best half yearly results in the last ten years, with good business growth of "Alpine" car electronics. The "MHI" air-conditioning business in Singapore achieved good sales growth and profitability in the first half due to the introduction of the new multi-split air-conditioner, certification of the highest ratings by the National Environmental Agency, coupled with successful promotional activities and strong dealer networking. Our subsidiary in Malaysia achieved good first half yearly results with sales and profit growths due to successful implementation of our marketing strategy.

The group expects the good performance of its businesses in Singapore and Malaysia to continue in the second half of the year.

Motor Yachts

The business consists of the import and distribution of the luxurious Italian "Ferretti" brand in PRC and the leading Taiwanese "Horizon" motor yachts in Hong Kong, Macau and PRC.

2008 marks the first year for the Group to act as the exclusive distributor of "Ferretti" motor yachts in PRC. In line with our business development plan for 2008, our offices in Xiamen, Shenzhen and Shanghai are actively engaged in the network development of the "Ferretti" and "Horizon" brands through exhibitions, advertising and promotion campaigns, with one "Ferretti" yacht sold and ready for delivery during the second half of 2008, with encouraging increase in sales prospects for the remainder of 2008.

The first half of the year has also been very encouraging for Horizon with two yachts sold for delivery in 2008, and a number of orders are being secured already for 2009.

The Group expects continuing sales growth for the new business of motor yachts in the second half of 2008.

Fashion and Accessories

The business consists of the import, distribution, sub-licensing and retailing of several fashion brands including Italian "John Richmond", "Richmond 'X'", "Richmond Denim" and "Sweet Years". These are premium brands with good potential in our markets, ranging from upmarket fashion to designer casual wear. Mono brand shops of "John Richmond", "Richmond 'X'" and "Sweet Years" were opened in Hong Kong and Beijing; new shops for these brands will be opened in Hong Kong, as well as other major Chinese cities in 2008 and beyond.

The Group is also licensed to make American "Playboy" branded female intimate and swim wears and, recently, the "Playboy" ladies fashion line. Several sales counters were established in major department stores and more are planned to be set up in the coming years.

As part of our business expansion strategy, the Group acquired a controlling shareholding of 60% equity interest in Creative Pacific Limited, a company engaged in the business of design, trading and sale of apparel in PRC and, together with its subsidiaries, owns the reputed fashion brand "V-one" which comprises seven clothing lines with different styles. It also maintains a network of about 130 points of sales in the key cities of PRC.

The Group is also in the process of setting up a 50/50 joint-venture with the Italian Binda Group to distribute exclusively upmarket and lifestyle watch brands like "Breil Milano", "D&G", "Moschino" and Ducati" in Hong Kong, Macau and PRC.

The Group is working progressively to build our extensive retail network as a platform to promote the various lifestyle fashion brands represented by us. As the Hong Kong and PRC luxury markets continue to grow at a fast pace, sales growth and high profit margins are expected in the future.

PERSONNEL

At June 30, 2008, the total number of employees of the Group, excluding associates, was 426 (2007: 388), representing a 9.8% increase in headcount. This is due to the expansion of our car business group, motor yacht businesses and the set-up of retail shops in Hong Kong and PRC for prestigious branded fashion and accessories.

With the continued expansion in PRC and in the direction of securing more luxurious brands for distribution, we practised more local recruitment. The management is committed to staff motivation and training to ensure our employees remain stable and yet competitive and dynamic in the marketplace.

SUBSEQUENT EVENTS

The Group also has just entered into an exclusive distributorship agreement with the upmarket Italian fashion brand, Marina Yachting. Mono brand boutiques will be set up to promote this brand in the second half of the years.

On 2 September 2008, Smart Apex Holdings Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 80% of the issued share capital in SKC Group Limited at an aggregate consideration of HK$96,200,000, subject to adjustment as detailed in the announcement of the Company dated 4 September 2008. The consideration of the acquisition is payable in cash. SKC Group Limited and its subsidiaries, which are principally engaged in the retailing and wholesaling of children apparels, own the "Kingkow" brand name with 98 points of sales in the Greater China Region, Korea, Southeast Asia and Middle East. Details of the transaction are set out in the announcement of the Company published on 4 September 2008.

The 7.25% convertible loan note in the principal amount of HK$30,000,000 issued to Cross Profit Capital Limited, a wholly owned subsidiary of Hanny Holdings Limited matured and was fully repaid on 5 September 2008.

On September 18, 2008, Auto Italia Limited, an approximately 70.50% owned subsidiary of the Company purchased a unit of vintage Ferrari from Mr. Richard Man Fai Lee, a Director and a controlling shareholder of the Company, for a cash consideration of HK$4.68 million. The consideration shall be paid through internal resources. Details of the transactions are set out in the announcement of the Company published on September 18, 2008.

PROSPECTS

As the general economic situations in United States, Europe and Japan weaken, we inevitably witness a slow down in our key markets in Asia. However, the Group remains optimistic of the growth in our major business sectors. This is particularly true in our luxury car and motor yachts businesses supported by forthcoming launches of exciting "Ferrari" and "Maserati" models and a comfortable order portfolio.

The newly acquired fashion brands and distribution networks of "V-one" and "Kingkow" will provide additional sales revenues to the Group. These, together with our increasing collection of fashion and watch brands, will grow the Group into an important lifestyle distribution company.

Business of the air-conditioning and audio-visual business will remain competitive.

The management sees the second half of 2008 as an opportune period of sales growth and network expansion for the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2008, 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, 2008, 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 regularly to discuss issues and operation of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently.

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

The Company has adopted a code of conduct for transactions in the Company's securities by the Directors that complies with the Model Code as set out in Appendix 10 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, 2008.

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 accounts and the Interim Report 2008, 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, 2008

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 Regions.