WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

2008 FINAL RESULTS

WO KEE HONG (HOLDINGS) LIMITED is a holding company with major subsidiaries engaged in the import, marketing, distribution and after-sales service of high quality, branded products serving customers in the Asian region and, in particular, the markets of the People's Republic of China (the "PRC") (Note), Hong Kong, Macau, Singapore and Malaysia. 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, other electronic and electrical products and property investment.

RESULTS

The Directors of Wo Kee Hong (Holdings) Limited (the "Company") announce that the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended December 31, 2008 were as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	3	**1,308,229**	1,153,201
Cost of sales		**(1,059,901)**	(938,222)
Gross profit		**248,328**	214,979
Other operating income	5	**16,863**	4,479
Distribution costs		**(103,520)**	(72,125)
Administrative expenses		**(182,479)**	(145,220)
Fair value (losses)/gains on investment properties		**(641)**	2,022
Write-down of properties held for sale to net realisable value		**(2,250)**	–
(Loss)/profit from operations	6	**(23,699)**	4,135
Finance costs		**(8,298)**	(14,355)
Impairment on available-for-sale financial assets		**(9,000)**	(6,000)
Provision for guarantee		**(950)**	(7,500)
Transaction costs for a terminated acquisition		**(6,008)**	–
Gain on disposal of subsidiaries		**–**	76,021
Loss on disposal of an associate		**–**	(1,968)
Share of results of associates		**(18)**	(1,169)
Share of result of a jointly controlled entity		**(3,000)**	–
(Loss)/profit before tax		**(50,973)**	49,164
Income tax expenses	7	**(8,079)**	(6,256)
(Loss)/profit for the year		**(59,052)**	42,908
Attributable to:			
Equity holders of the Company		**(68,869)**	35,677
Minority interests		**9,817**	7,231
		(59,052)	42,908
(Loss)/earnings per share of (loss)/profit attributable to equity holders of the Company			
– Basic and diluted (restated)	8	**HK$(0.23)**	HK$0.13

CONSOLIDATED BALANCE SHEET

At December 31, 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Investment properties		**17,000**	9,600
Property, plant and equipment		**56,415**	44,541
Prepaid lease payments		**26,712**	1,558
Goodwill		**31,611**	2,787
Interests in associates		**95**	–
Interest in a jointly controlled entity		**–**	–
Available-for-sale financial assets		**21,527**	30,527
Deferred tax assets		**10**	16
		153,370	89,029
Current assets			
Inventories		**234,664**	124,993
Properties held for sale, at net realisable value		**21,150**	23,400
Trade and other receivables	*9*	**249,504**	185,075
Derivative financial instruments		**98**	–
Amounts due from associates		**39,834**	14,260
Amounts due from a jointly controlled entity		**2,119**	–
Other financial assets at fair value through profit or loss		**6**	17
Cash and cash equivalents		**164,030**	363,949
		711,405	711,694
Current liabilities			
Trade and other payables	*10*	**330,489**	243,956
Bills payables		**14,383**	36,758
Tax payables		**2,418**	162
Amounts due to related companies		**944**	1,343
Convertible loan note		**–**	30,207
Obligations under finance leases – due within one year		**–**	936
Borrowings – due within one year		**152,919**	70,827
		501,153	384,189
Net current assets		**210,252**	327,505
Total assets less current liabilities		**363,622**	416,534
Non-current liabilities			
Obligations under finance leases – due after one year		**–**	168
Borrowings – due after one year		**37,709**	13,506
Deferred tax liabilities		**12**	6
		37,721	13,680
Net assets		**325,901**	402,854
Capital and reserves			
Share capital		**29,403**	255,314
Reserves		**275,690**	125,064
Equity attributable to equity holders of the Company		**305,093**	380,378
Minority interests		**20,808**	22,476
Total equity		**325,901**	402,854

Notes:

1. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied, for the first time, the following of amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning January 1, 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
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 Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible hedged items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[3]

[1] Effective for annual periods beginning on or after January 1, 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after July 1, 2009
[2] Effective for annual periods beginning on or after January 1, 2009
[3] Effective for annual periods beginning on or after July 1, 2009
[4] Effective for annual periods beginning on or after July 1, 2008
[5] Effective for annual periods beginning on or after October 1, 2008

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively included Hong Kong Accounting Standards ("HKASs") and Interpretations (the "Interpretations") issued by the HKICPA, accounting principles generally accepted in Hong Kong 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 (the "Listing Rules").

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss (including derivative financial instruments) and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3. Turnover

	2008	2007
	HK$'000	*HK$'000*
Sales of goods to customers, less returns and discounts	**1,232,657**	1,071,904
Maintenance service income	**74,589**	65,866
Rental income	**983**	15,431
	1,308,229	1,153,201

4. Business and geographical segments

Business segments

Principal activities of the Group are as follows:

Cars and car accessories	Trading of cars and related accessories and provision of car repairing services
Electrical appliances	Distribution of air-conditioning products, audio-visual equipment, including car audio, home appliances and installation of air-conditioning products
Property investment	Rental of investment properties and properties held for sale
Fashion apparels and accessories	Trading, distribution and retail of fashion apparels and accessories

Prior to the year ended December 31, 2008, the Group organised into three operating divisions: cars and car accessories, electrical appliances and property investment. In current year, the Group has reclassified its previously reporting business segments into four operating divisions: cars and car accessories, electrical appliances, property investment and fashion apparels and accessories. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

2008

	Cars and car accessories *HK$'000*	Electrical appliances *HK$'000*	Property investment *HK$'000*	Fashion apparels and accessories *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover							
External sales	1,004,038	196,120	983	48,725	58,363	–	1,308,229
Inter-segment sales	–	149	–	25	–	(174)	–
Total turnover	1,004,038	196,269	983	48,750	58,363	(174)	1,308,229
Inter-segment sales are charged at prevailing market rates.							
Results							
Segment results	36,858	(405)	(2,036)	(20,740)	(8,970)	–	4,707
Interest income							8,812
Unallocated corporate expenses							(37,218)
Loss from operations							(23,699)
Finance costs							(8,298)
Impairment on available-for-sale financial assets							(9,000)
Provision for guarantee							(950)
Transaction costs for a terminated acquisition							(6,008)
Share of results of associates	–	–	–	–	(18)	–	(18)
Share of result of a jointly controlled entity	–	–	–	(3,000)	–	–	(3,000)
Loss before tax							(50,973)
Income tax expenses							(8,079)
Loss for the year							(59,052)

2007 (Restated)

	Cars and car accessories HK$'000	Electrical appliances HK$'000	Property investment HK$'000	Fashion apparels and accessories HK$'000	Others HK$'000	Eliminations HK$'000	Consolidated HK$'000
Turnover							
External sales	883,787	208,526	15,431	200	45,257	–	1,153,201
Inter-segment sales	–	110	–	–	–	(110)	–
Total turnover	883,787	208,636	15,431	200	45,257	(110)	1,153,201
Inter-segment sales are charged at prevailing market rates.							
Results							
Segment results	23,148	1,834	11,884	(2,636)	(3,634)	–	30,596
Unallocated corporate expenses							(26,461)
Profit from operations							4,135
Finance costs							(14,355)
Impairment on available-for-sale financial assets							(6,000)
Provision for guarantee							(7,500)
Gain on disposal of subsidiaries							76,021
Loss on disposal of an associate							(1,968)
Share of result of an associate	(1,169)	–	–	–	–	–	(1,169)
Profit before tax							49,164
Income tax expenses							(6,256)
Profit for the year							42,908

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**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,030,466**	980,599	**5,190**	23,947
Singapore	**81,395**	69,539	**3,480**	1,999
Malaysia	**35,804**	33,532	**3,129**	1,727
PRC	**153,566**	57,017	**(14,654)**	(1,954)
Macau	**6,998**	11,175	**(489)**	280
Others	**–**	1,339	**–**	118
	1,308,229	1,153,201	**(3,344)**	26,117
Other operating income			**16,863**	4,479
Unallocated corporate expenses			**(37,218)**	(26,461)
(Loss)/profit from operations			**(23,699)**	4,135

5. Other operating income

	2008	2007
	HK$'000	*HK$'000*
Commission income	**3,297**	2,479
Licence fee income for the right of distribution of products	**2,000**	–
Management fee refunded	**580**	1,900
Interest income	**8,812**	–
Exchange gain, net	**769**	–
Fair value gains on derivative financial instruments	**98**	–
Gain on disposal of property, plant and equipment	**1,046**	–
Sundry income	**261**	100
	16,863	4,479

6. (Loss)/profit from operations

	2008	2007
	HK$'000	*HK$'000*
(Loss)/profit from operations has been arrived at after charging:		
Auditors' remuneration	**948**	915
Cost of inventories recognised as expenses (included write-down of inventories to net realisable value of approximately HK$460,000 (2007: HK$1,029,000))	**1,059,901**	938,222
Amortisation of prepaid lease payments	**306**	5
Depreciation of:		
Owned assets	**12,493**	9,871
Assets held under finance leases	**301**	883
Fair value losses on other financial assets at fair value through profit or loss	**11**	–
Staff costs, including directors' emoluments	**118,454**	88,749
Operating lease rental in respect of land and buildings:		
Minimum lease payments	**39,800**	15,916
Contingent rentals	**2,224**	–
Share-based payment expenses	**–**	2,153
and crediting:		
Interest income	**–**	1,922
Foreign exchange differences, net	**–**	593
Fair value gains:		
Other financial assets at fair value through profit or loss	**–**	6
Derivative financial instruments	**–**	57
Gain on disposal of property, plant and equipment	**–**	444

7. Income tax expenses

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit arising in Hong Kong for the year.

Outside Hong Kong taxation is calculated at the rates prevailing in the respective jurisdictions.

	2008	2007
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**6,953**	2,058
Outside Hong Kong	**1,116**	193
	8,069	2,251
Deferred tax:		
Hong Kong	**–**	4,005
Outside Hong Kong	**10**	–
	10	4,005
Income tax expenses attributable to the Company and its subsidiaries	**8,079**	6,256

8. (Loss)/earnings per share

The calculation of the basic (loss)/earnings per share is based on the loss for the year attributable to equity holders of the Company of approximately HK$68,869,000 (2007: profit of HK$35,677,000) and on the weighted average number of 305,050,834 (2007: 284,961,633 (restated)) after adjusting for the effects of bonus shares issue approved on April 30, 2008. The basic earnings per share for 2007 had been adjusted accordingly.

Diluted (loss)/earnings per share for the years ended December 31, 2008 and 2007 were the same as the basic (loss)/earnings per share. The Company's outstanding share options and convertible loan note were not included in the calculation of diluted (loss)/earnings per share because the effects of the Company's outstanding share options and convertible loan note were anti-dilutive.

9. Trade and other receivables

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**128,366**	130,118
Less: allowance for doubtful debts	**(1,604)**	(4,832)
Total trade receivables, net of allowance for doubtful debts	**126,762**	125,286
Deposits, prepayments and other receivables	**122,742**	59,789
	249,504	185,075

The following is an aged analysis of trade receivables net for allowance of doubtful debts at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Within 30 days	**100,630**	82,794
31 to 60 days	**10,547**	18,699
61 to 90 days	**3,911**	6,048
91 days to 1 year	**8,075**	16,396
Over 1 year	**3,599**	1,349
Total	**126,762**	125,286

The Group allows an average credit period of 7 to 90 days to its customers.

10. Trade and other payables

The following were an aged analysis of trade payables at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Within 30 days	**26,627**	7,995
31 to 60 days	**12,575**	3,111
61 to 90 days	**7,740**	8,953
91 days to 1 year	**6,928**	1,410
Over 1 year	**528**	2,314
Total trade payables	**54,398**	23,783
Customers' deposits, accruals and other payables	**276,091**	220,173
	330,489	243,956

DIVIDENDS

The Directors do not recommend the payment of a final dividend (2007: nil) for the year ended December 31, 2008. No interim dividend was paid during the year (2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

RESULTS OF OPERATIONS

Turnover

For the year ended December 31, 2008, Group turnover hit a record high of HK$1,308.2 million, a growth of 13.4%, compared to HK$1,153.2 million last year. While our car operations continued to maintain a healthy growth in turnover, which for the first time achieved a turnover of over HK$1 billion; the result of our fashion segment was unsatisfactory and drastic measures had been taken to fine-tune this business model so as improve its financial performance.

Gross Profit

Our gross profit margin increased by 0.4% from 18.6% last year to 19.0% this year resulting in our gross profit contribution increased by HK$33.3 million to HK$248.3 million (2007: HK$215.0 million).

Distribution Costs and Administrative Expenses

Distribution costs were up by 43.6% to HK$103.5 million (2007: HK$72.1 million), due mainly to the corresponding increase in turnover, rental cost as well as direct staff cost including sales commission.

The increase in administrative expenses of HK$37.3 million from HK$145.2 million of last year to HK$182.5 million this year is mainly attributed to the corresponding increase in turnover, office rental of Wo Kee Hong Building subsequent to its disposal in November 2007 (which replaced the relevant building depreciation cost in year 2007), as well as increased staff cost as a result of expanded business and new business segment.

Loss from Operations

We report that loss from operations for the year under review was HK$23.7 million (2007: Profit of HK$4.1 million). As the global financial situation deteriorated, our business in general encountered a severe downturn, particularly during the last quarter of 2008. The sector of operations being adversely affected most were fashion, motor yachts as well as electrical appliances businesses.

We have made due impairment of HK$9.0 million (2007: HK$6.0 million) on our 10% investment in Digital Outdoor Television (Hong Kong) Limited ("DOTV"), which was also severely hit by the financial tsunami. Though this impairment hit the income statement, it was a non-cash adjustment and thus has no negative impact on the Group's actual cash flow. The management of DOTV is actively seeking ways to improve the financial performance of this business.

Finance costs dropped significantly by HK$6.1 million from HK$14.4 million to HK$8.3 million due to the overall improvement in our cash position during 2008 as compared to previous year.

A loss was booked at HK$6.0 million arising from termination of Kingkow's project, being all costs associated with the project inclusive of the compensation cost of HK$2.5 million as agreed in the Termination Agreement as mentioned in our announcement made on November 12, 2008.

Income tax of HK$8.1 million (2007: HK$6.3 million) represented mainly the profits tax payable of car group for the year under review.

Loss Attributable to Shareholders

The board delivers a loss attributable to shareholders of HK$68.9 million (2007: Profit of HK$35.7 million). We understand that during the current financial tsunami, no business entity is able to be immune from this hard time, but we believe that cautious cash management, especially one who can maintain healthy cash flow on hand, will endure and survive. We will strictly adhere to this strategy and have strong confidence that we will continue to build a good future for the Group's business.

Financial Condition

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.

Cash and cash equivalents at December 31, 2008 were HK$164.0 million (2007: HK$363.9 million). The cash used in operating activities was approximately HK$188.5 million compared with the cash inflow of HK$53.9 million for year 2007. The cash used in operations activities was mainly for purchase of inventories, especially in the motor car and motor yacht business.

The Group had total borrowings at December 31, 2008 amounting to HK$190.6 million (2007: HK$84.3 million). The Group's long term gearing ratio stood at 12.4% (2007: 3.6%), based on non-current liabilities (excluding deferred tax) of HK$37.7 million (2007: HK$13.7 million) and shareholders' equity of HK$305.1 million (2007: HK$380.4 million). The current ratio was 1.4 (2007: 1.9), based on current assets of HK$711.4 million (2007: HK$711.7 million) and current liabilities of HK$501.2 million (2007: HK$384.2 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 bankers. Accordingly, the Group was not exposed to material fluctuations in exchange rates and related hedges during the year under review. At December 31, 2008 the total outstanding foreign exchange contracts purchased with banks amounted to HK$4.8 million (2007: HK$11.1 million).

The Group had trading facilities at December 31, 2008 amounting to HK$298.6 million (2007: HK$274.2 million) of which HK$214.5 million (2007: HK$150.2 million) was utilized. Certain of the Group's properties, motor yacht, inventories, cash deposits and all assets of a subsidiary were pledged at year ended 2008 in an aggregate amount of HK$218.8 million (2007: HK$156.5 million) to secure facilities granted by our bankers.

At December 31, 2008 the Group had contingent liabilities of approximately HK$4.0 million (2007: HK$3.5 million) in respect of a bank guarantee issued to the purchaser of the disposed associate in Jiangmen by a subsidiary.

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. In the PRC, we operate "Ferrari" and "Maserati" car dealerships in Dalian and Nanjing.

Compared to the last year, turnover increased by 13.6% to HK$1,004 million as a result of continued growth of our car trading business.

Sales of "Ferrari's" 8-cylinder sports car models remained strong with the addition of 430 Scuderia. The launch of the new grand touring model, the California GT, was a great success. We have collected a very strong order portfolio and are now quoting a delivery time of close to three years. The limited series Scuderia Spider 16M was introduced in November and we have pre-sold all of our allocation in 2009. The "Ferrari" 12-cylinder models, the 599 GTB Fiorano and the new 612 Scaglietti "One-to-One," also did well in the year.

Awareness of the "Maserati" brand achieved a boost due to the arrival of two new models, the GranTurismo S in September and the restyled Quattroporte in November. Demand for "Maserati's" two-door GranTurismo remained high with a strong order portfolio.

The dealership in Dalian achieved its budgeted results with good sales of both "Ferrari" and "Maserati" cars. In November, we opened the second dealership in Nanjing to serve the prosperous eastern Jiangsu province. A good response from the market was generated.

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

The "Alfa Romeo" business was slow due to a highly competitive market environment. This segment suffered particularly in the last quarter of 2008. The new "Fiat" 500 model started well. However, this segment was also depressed due to the economic downturn.

As all of the Group's facilities are fully operational, work has started to build another new 3S Centre in Shatin to replace the existing Tokwawan Centre. This will enable us to cope with our expanding car business.

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" and "GREE", and audio-visual products of our own "Rogers" and "Bodysonic" brands, "Steinway Lyngdorf", "Marantz" and "Denon" audio-visual products and "Alpine" car electronics. The product ranges are well-placed in the market to suit the needs of different market segments.

Turnover for 2008 was HK$196.1 million, which decreased by 5.9% when compared with last year.

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, which celebrated its 60th anniversary, 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 PRC.

The Group was also awarded the exclusive distributorship of the top-end luxurious audio brand "Steinway Lyngdorf" for Hong Kong, Macau and the PRC.

Our subsidiaries in Singapore achieved the best results in the past ten years, with good business growth of "Alpine" car audio in OEM and after market distribution. 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 subsidiaries in Malaysia achieved good results with sales and profit growth due to successful implementation of our marketing strategy.

Motor Yachts and Helicopters

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

2008 marks the first year for the Group to act as the exclusive distributor of "Ferretti" motor yachts in the 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 promotional campaigns, with one "Ferretti" yacht sold and delivered during the second half of 2008.

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

We also distribute Italian "Agusta Westland" helicopters in Hong Kong, Macau and southern PRC. This business is still in its exploratory stage.

Fashion Apparels 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" in Hong Kong and the PRC. These are premium brands ranging from up-market fashion to designer casual wear. Mono brand shops of "John Richmond", "Richmond X'" and "Sweet Years" are open in Hong Kong and Beijing. Distribution of Italian "Marina Yachting" designer casual wear started in late 2008 with two mono brand shops open in Shenyang and Hong Kong.

The Group is also licensed to manufacture and sell American "Playboy" lingerie and ladies' swim wears in the PRC, Hong Kong, Macau, Taiwan, Malaysia and Singapore and the "Playboy" ladies' apparel in the PRC and Taiwan. Several sales counters are in prime department stores and more are going 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 apparels in the PRC and, together with its subsidiaries, owns the reputed fashion brand "V-one," which comprises seven clothing lines of different styles. An overhaul of its operations has been made and it maintains a network of about 86 points of sale in the key cities of the PRC.

In July 2008, our Group was appointed by the Italian Binda Group as its sole and exclusive distributor of watches and accessories under the brands of "Breil Milano", "D&G", "Moschino" and "Ducati" in the PRC, Hong Kong, Macau and Taiwan until December 31, 2010. Approximately 106 points of sale were opened in the PRC and 33 in Hong Kong.

PERSONNEL

At the end of 2008, the total number of employees of the Group, excluding associates, was 659 (2007: 407), representing a 62% increase in headcount. This is mainly due to the acquisition of a 60% stake in Creative Pacific Limited during the year, which operates the fashion brand "V-one" in the PRC, the set-up of a new company in Nanjing in September 2008 for the operation of the newly acquired second dealership for both "Ferrari" and "Maserati" cars and the expansion of our car business group, motor yacht business and the set-up of retail shops in Hong Kong and the PRC for fashion apparels and accessories business.

With the continuous expansion in the PRC and in the direction of securing more luxurious brands for distribution, we exercised more local recruitment. The management is committed to staff motivation, training and development to ensure that our employees remain stable as well as competitive and dynamic in the marketplace. Together with the continuous organizational improvements led by our committed management team, we are confident that our business and our employees will grow together for the benefit of the Group in the years to come.

PROSPECTS

As the global financial situation worsens, a continuous slowdown in our key markets is expected. However, the Group is confident of a stable return from our car business, especially "Ferrari" and "Maserati". This is supported by a strong order portfolio. Successful new models like the California GT and the forthcoming opening of our largest 3S Centre will further strengthen sales and service income. The new Nanjing dealership will be in full operation this year to generate additional sales and profit margins.

Major overhauls of the fashion business, the electrical appliance business and the motor yacht business are being carried out to cut costs significantly and enhance efficiency. All business divisions are required to contribute profit as a result of such overhauls. The general market for high-end fashion will be very competitive and investments in this sector will be scaled back considerably.

China is pushing ahead with economic policies to stimulate domestic consumption. This will certainly provide greater business opportunities for some of our consumer products. We expect good growth in our fashion, watches and jewelry business; consolidation of our middle-priced fashion lines like "V-one" and "Playboy" will achieve growth in this market situation.

Whilst the Group will continue to grow into an important lifestyle products distribution company, our business in 2009 will be managed cautiously to preserve strength in liquidity and increase efficiency in the current uncertain economic environment.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company has repurchased 12,350,000 shares of the Company's securities. The particulars of repurchases are as follows:

Month of repurchase	Number of Shares	Highest price paid	Lowest price paid	Aggregate Price paid
		HK$	*HK$*	*HK$*
2008				
August	2,350,000	0.54	0.50	1,202,650
December	10,000,000	0.53	0.49	5,199,700
	12,350,000			6,402,350

The above-mentioned shares were cancelled upon repurchases and accordingly, the issued share capital of the Company was diminished by the nominal value of these shares. The repurchases were made for the purpose of enhancing the net asset value per share of the Company.

Save as disclosed above, there was no purchase, sale or redemption of the Company's listed securities by the Company or its subsidiaries during the year.

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 year ended December 31, 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. Dr. 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. 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.

AUDIT COMMITTEE REVIEW

The audit committee has reviewed the audited financial statements of the Group for the year ended December 31, 2008 including the accounting principles and practices adopted by the Group, and discussed the internal control and financial reporting matters during the review.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on May 18, 2009. For details of the Annual General Meeting, please refer to the Notice of Annual General Meeting, which is expected to be despatched on or about April 14, 2009.

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

Hong Kong, March 27, 2009

As at the date of this announcement, the Board comprises of Dr. Richard Man Fai LEE, 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.

Copies of the result announcement can be obtained from the principal office in Hong Kong. The 2008 Annual Report and Accounts will be sent to shareholders on or about April 14, 2009.

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