WO KEE HONG (HOLDINGS) LIMITED
和記行（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2011

The directors of Wo Kee Hong (Holdings) Limited (the "Company") (the "Directors") are pleased to announce that the unaudited condensed consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended June 30, 2011 were as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended June 30

	Notes	2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Turnover	3	**847,857**	676,934
Cost of sales		**(701,123)**	(557,528)
Gross profit		**146,734**	119,406
Other operating income		**6,070**	20,681
Distribution costs		**(68,485)**	(39,892)
Administrative expenses		**(71,800)**	(73,884)
Profit from operations	4	**12,519**	26,311
Finance costs		**(6,781)**	(4,207)
Share of result of a jointly controlled entity		**885**	88
Net gain on disposal of subsidiaries		**–**	9,273
Profit before tax		**6,623**	31,465
Income tax expenses	5	**(1,622)**	(68)
Profit for the period		**5,001**	31,397
Profit for the period attributable to:			
Owners of the Company		**323**	29,601
Non-controlling interests		**4,678**	1,796
		5,001	31,397
Earnings per share attributable to the owners of the Company during the period			
– Basic	6	**0.01 cents**	1.30 cents
– Diluted	6	**0.01 cents**	1.28 cents
Dividend		**Nil**	Nil

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30

	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**5,001**	31,397
Exchange differences on translation of foreign operations	**1,405**	508
Total comprehensive income for the period	**6,406**	31,905
Total comprehensive income attributable to:		
Owners of the Company	**1,633**	29,997
Non-controlling interests	**4,773**	1,908
	6,406	31,905

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	June 30, 2011 HK$'000 (Unaudited)	December 31, 2010 HK$'000 (Audited)
Non-current assets			
Investment properties		**3,000**	3,000
Property, plant and equipment		**122,757**	125,804
Prepaid lease payments		**1,475**	1,486
Goodwill		**30,044**	30,044
Interest in associates		**–**	–
Interest in a jointly controlled entity		**4,405**	3,520
Available-for-sale financial assets		**9,552**	9,552
Deferred tax assets		**38**	–
		171,271	173,406
Current assets			
Inventories		**240,303**	192,730
Properties held for sale, at net realisable value		**25,470**	25,470
Trade and other receivables	*7*	**228,263**	213,807
Amounts due from associates		**66,956**	64,045
Other financial assets at fair value through profit or loss		**–**	17
Cash and cash equivalents		**168,543**	189,322
		729,535	685,391
Current liabilities			
Trade and other payables	*8*	**342,460**	347,691
Bills payables		**26,445**	25,588
Tax payables		**3,937**	2,542
Amount due to a jointly controlled entity		**1,050**	2,585
Amounts due to related companies		**441**	441
Obligations under finance leases		**154**	96
Borrowings	*9*	**215,581**	201,332
		590,068	580,275
Net current assets		**139,467**	105,116
Total assets less current liabilities		**310,738**	278,522

	Note	**June 30, 2011** *HK$'000* **(Unaudited)**	December 31, 2010 *HK$'000* (Audited)
Non-current liabilities			
Obligations under finance leases		**523**	240
Borrowings	*9*	**24,454**	–
Convertible loan note		**11,979**	11,612
Deferred tax liabilities		**243**	245
		37,199	12,097
Net assets		**273,539**	266,425
Capital and reserves			
Share capital		**46,078**	45,838
Reserves		**206,700**	204,599
Equity attributable to owners of the Company		**252,778**	250,437
Non-controlling interests		**20,761**	15,988
Total equity		**273,539**	266,425

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated financial statements ("Interim 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 Reporting 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 "Stock Exchange") (the "Listing Rules").

2. APPLICATION OF NEW AND REVISED HKFRSs

The Interim Financial Statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the Interim Financial Statements is consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2010.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on January 1, 2011.

HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendments)	Amendments to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues
HKFRS 1 (Revised)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
HKFRSs (Amendments)	Improvements to HKFRSs 2010

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

HK(IFRIC)-Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC)-Int 19 will affect the required accounting. In particular, under HK(IFRIC)-Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

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

HKFRS 7 (Amendments)	Disclosure – Transfer of Financial Assets[1]
HKFRS 9	Financial Insruments[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosures of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]

1 Effective for annual periods beginning on or after July 1, 2011
2 Effective for annual periods beginning on or after January 1, 2013
3 Effective for annual periods beginning on or after January 1, 2012
4 Effective for annual periods beginning on or after July 1, 2012

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

The Directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the new Standard may have a significant impact on amounts reported in respect of the Groups' financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The Directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

The amendments to HKAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

The Directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

In current period, the Group organised into three operating divisions: cars, electrical appliances and fashion apparels and accessories. These divisions are the basis on which the Group reports its segment information.

Segment information about these businesses is presented below.

Segment revenue and results

For the six months ended June 30, 2011 (Unaudited)

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
External sales	700,370	130,138	17,222	127	–	847,857
Inter-segment sales	24	725	–	–	(749)	–
Total turnover	700,394	130,863	17,222	127	(749)	847,857
Inter-segment sales are charged at arm's length						
Results						
Segment results	23,088	5,471	(1,470)	(3,637)	–	23,452
Interest income						852
Unallocated other operating income						592
Unallocated corporate expenses						(12,377)
Profit from operations						12,519
Finance costs						(6,781)
Share of result of a jointly-controlled entity	–	–	885	–	–	885
Profit before tax						6,623
Income tax expenses						(1,622)
Profit for the period						5,001

Segment assets and liabilities

At June 30, 2011
(Unaudited)

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Consolidated statement of financial position					
Assets					
Segment assets	**452,761**	**103,653**	**60,257**	**49,319**	**665,990**
Unallocated corporate assets					**234,816**
Consolidated total assets					**900,806**
Liabilities					
Segment liabilities	**301,794**	**50,976**	**9,752**	**5,394**	**367,916**
Unallocated corporate liabilities					**259,351**
Consolidated total liabilities					**627,267**

Segment revenue and results

For the six months ended June 30, 2010
(Unaudited)

	Cars *HK$'000*	Electrical appliances *HK$'000*	Fashion apparels and accessories *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover						
External sales	469,191	122,098	27,281	58,364	–	676,934
Inter-segment sales	–	101	–	–	(101)	–
Total turnover	469,191	122,199	27,281	58,364	(101)	676,934
Inter-segment sales are charged at arm's length						
Results						
Segment results	6,347	7,076	502	6,332	–	20,257
Interest income						1,196
Unallocated other operating income						16,085
Unallocated corporate expenses						(11,227)
Profit from operations						26,311
Finance costs						(4,207)
Share of result of a jointly-controlled entity	–	–	88	–	–	88
Net gain on disposal of subsidiaries						9,273
Profit before tax						31,465
Income tax expenses						(68)
Profit for the period						31,397

Segment assets and liabilities

At December 31, 2010
(Audited)

	Cars	Electrical appliances	Fashion apparels and accessories	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Consolidated statement of financial position					
Assets					
Segment assets	408,382	95,812	62,289	43,954	610,437
Unallocated corporate assets					248,360
Consolidated total assets					858,797
Liabilities					
Segment liabilities	302,913	52,092	15,430	3,747	374,182
Unallocated corporate liabilities					218,190
Consolidated total liabilities					592,372

4. PROFIT FROM OPERATIONS

	Six months ended June 30	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit from operations has been arrived at after charging:		
Cost of inventories recognised as expenses (included in cost of sales)	**701,123**	557,528
Amortisation of prepaid lease payments	**19**	345
Depreciation of:		
Owned assets	**10,115**	8,244
Assets held under finance leases	**144**	87
Staff costs, including directors' emoluments	**55,320**	47,075
Loss on disposal of property, plant and equipment	**–**	61
Exchange loss, net	**–**	94
and crediting:		
Interest income	**852**	1,196
Waiver of other payable	**–**	16,085
Dividend income	**592**	–
Gain on disposal of property, plant and equipment	**719**	–
Exchange gain, net	**684**	–

5. INCOME TAX EXPENSES

Hong Kong Profit tax is calculated at 16.5% of the estimated assessable profit arising in Hong Kong for the period.

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

	Six months ended June 30	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	**1,138**	–
Outside Hong Kong	**525**	68
	1,663	68
Deferred tax:		
Hong Kong	**–**	–
Outside Hong Kong	**(41)**	–
Income tax expenses attributable to the Company and its subsidiaries	**1,622**	68

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended June 30	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**323**	29,601

	Six months ended June 30	
	2011	2010
	Number of shares	*Number of shares*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,297,078,550**	2,271,302,141
Effect of dilutive potential ordinary shares:		
Share options granted by the Company	**26,602,109**	40,597,889
	2,323,680,659	2,311,900,030

7. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 7 to 90 days to its customers. The aged analysis of the Group's trade receivables at the end of the reporting period is as follows:

	June 30, 2011 *HK$'000* **(Unaudited)**	December 31, 2010 *HK$'000* (Audited)
Within 30 days	**61,739**	74,835
31 to 60 days	**12,079**	24,004
61 to 90 days	**4,758**	9,301
91 days to 1 year	**8,217**	2,987
Over 1 year	**3,457**	1,780
Total trade receivables, net of allowance for doubtful debts	**90,250**	112,907
Deposits, prepayments and other receivables	**138,013**	100,900
	228,263	213,807

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

8. TRADE AND OTHER PAYABLES

The aged analysis of the Group's trade payables at the end of the reporting period is as follows:

	June 30, 2011 *HK$'000* **(Unaudited)**	December 31, 2010 *HK$'000* (Audited)
Within 30 days	**51,263**	58,495
31 to 60 days	**10,436**	21,784
61 to 90 days	**6,507**	10,607
91 days to 1 year	**2,619**	5,760
Over 1 year	**1,274**	979
Total trade payables	**72,099**	97,625
Customers' deposits, accruals and other payables	**270,361**	250,066
	342,460	347,691

9. BORROWINGS

	June 30, 2011 HK$'000 (Unaudited)	December 31, 2010 HK$'000 (Audited)
Bank overdrafts	**18,914**	8,380
Bank loans	**208,323**	180,041
Other loans	**12,798**	12,911
	240,035	201,332
Secured *(note 11)*	**213,929**	173,290
Unsecured	**26,106**	28,042
	240,035	201,332
Carrying amount repayable:		
Within one year	**212,845**	169,756
More than one year, but not exceeding two years	**5,172**	7,764
More than two years, but not exceeding five years	**7,591**	8,073
More than five years	**14,427**	15,739
	240,035	201,332
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**(2,736)**	(31,576)
	237,299	169,756
Less: Amounts due within one year shown under current liabilities	**(212,845)**	(169,756)
Amounts due after one year	**24,454**	–

10. CONTINGENT LIABILITIES

(a) The Company had provided guarantees for banking facilities made available to subsidiaries in the amount of HK$511,233,000 (December 31, 2010: HK$402,632,000).

(b) The Company had provided guarantees for the other facilities made available to subsidiaries in the amount of HK$26,819,000 (December 31, 2010: HK$26,922,000).

11. PLEDGE OF ASSETS

	June 30, 2011 *HK$'000* **(Unaudited)**	December 31, 2010 *HK$'000* (Audited)
Deposits in bank	**124,933**	107,561
Inventories	**86,539**	49,237
Properties held for sale	**25,470**	25,470
Property, plant and equipment:		
Land and buildings	**54,517**	55,233
Motor yacht	**13,668**	14,108
Floating charges on all assets of a subsidiary	**19,677**	21,307
	324,804	272,916

The amount represents assets pledged to banks and other licensed financial institutions 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 do not recommend the payment of an interim dividend for the six months ended June 30, 2011 (2010: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FINANCIAL REVIEW

Results of Operations

For the six months ended June 30, 2011, the Group's turnover amounted to HK$847.9 million, a 25.3% increase compared to the turnover of HK$676.9 million for the same period last year.

Gross profit for the first half increased from HK$119.4 million in 2010 to HK$146.7 million, although the gross profit margin declined slightly from 17.6% in the last period to 17.3% this period. This small setback of margin was due to the lower margins recorded for non-car segments caused by market situation, with minor impact on our overall performance.

For the first half of 2011, other operating income decreased from HK$20.7 million to HK$6.1 million, due to the fact that for the same period last year, we recorded a non-recurring gain of HK$16.1 million arising from a waiver of other payable.

The Group's operating costs were considered to be at reasonable level. Distribution costs and administrative expenses represented in aggregate 16.5% of turnover, amounting to HK$140.3 million (2010: 16.8%, HK$113.8 million). As our sales continued to grow and we intensified our marketing strategies in the cars business segment in both Hong Kong and Mainland China, additional sales and marketing costs were incurred which in turn will benefit the business segment in due course.

Finance costs increased to HK$6.8 million (2010: HK$4.2 million), representing a slightly higher borrowing level than in the last period.

The Group's profit before tax for the period amounted to HK$6.6 million, an increase of HK$0.5 million as compared to the last period's adjusted profit of HK$6.1 million (excluding the non-recurring gains, such as the waiver of other payable of HK$16.1 million and the net gain on disposal of subsidiaries of HK$9.3 million recorded in the last period). At the same time, management was able to put all costs under control, paving the way to a better second half of 2011.

We report that the profit attributable to the owners of the Company for the first half of 2011 was HK$0.3 million (2010: HK$29.6 million). As explained above, this profit setback was mainly due to the non-recurring gains recorded in 2010 and was irrelevant to our business performance.

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.

Cash and cash equivalents at June 30, 2011 were HK$168.5 million (December 31, 2010: HK$189.3 million). A net cash outflow of HK$33.1 million (2010: inflow of HK$35.2 million) was recorded, representing the aggregate of funds used in operating, investing and financing activities in the reporting period.

At June 30, 2011, the Group had total borrowings amounting to HK$240.0 million (December 31, 2010: HK$201.3 million). The Group's long term gearing ratio stood at 14.6% (December 31, 2010: 4.8%), based on long term liabilities (excluding deferred tax) of HK$37.0 million (December 31, 2010: HK$11.9 million) and owners' equity of HK$252.8 million (December 31, 2010: HK$250.4 million). The current ratio was 1.2 (December 31, 2010: 1.2), based on current assets of HK$729.5 million (December 31, 2010: HK$685.4 million) and current liabilities of HK$590.1 million (December 31, 2010: HK$580.3 million).

The Group had trading facilities at June 30, 2011 amounting to HK$418.0 million (December 31, 2010: HK$324.6 million) of which HK$285.4 million (December 31, 2010: HK$237.0 million) were utilized.

Foreign Exchange Exposure

The Group's purchases were mainly conducted in HK Dollar, Euro and US Dollar while sales are mainly conducted in HK Dollar and Renminbi. 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. At June 30, 2011, the outstanding foreign exchange contracts purchased with banks amounted to HK$6.9 million (December 31, 2010: nil).

Pledge of Assets

Certain of the Group's properties, a motor yacht, inventories, cash deposits and all assets of a subsidiary were pledged at June 30, 2011 in an aggregate amount of HK$324.8 million (December 31, 2010: HK$272.9 million) to secure loans and facilities granted.

Capital Commitments and Contingent Liabilities

The Group had capital commitments of HK$5.9 million at June 30, 2011 (December 31, 2010: HK$12.6 million). At June 30, 2011 and December 31, 2010, the Group had no material contingent liabilities.

BUSINESS REVIEW

Cars

Our cars business segment represented the "Ferrari" and "Maserati" business in Hong Kong, Macau and Mainland China which, during the period under review, maintained its positive outlook. Turnover rose by 49.3% to HK$700.4 million (2010: HK$469.2 million).

In Hong Kong, 64 units of 458 Italia were delivered to customers in the first half which still left the business with a backlog of over 200 orders to be delivered to customers. 27 units of Ferrari's other V8 engine model, the California GT, were also delivered.

In March 2011, Ferrari announced the successor to the 612 Scaglietti, the FF. This model was well received by customers after its world launch in Geneva as evidenced by the orders taken in the period. First deliveries are scheduled before this year end.

Awareness of the Maserati brand achieved another boost in Hong Kong in May due to the launch of the new two-seat coupe, the MC Stradale. Demand for Maserati's other models remained high with a double-digit order portfolio.

Hong Kong workshop service turnover grew by over 50% as compared to the last period. This was primarily due to an increase in service activities and the introduction of new working practices.

Our dealership business in Dalian and Nanjing continued to develop positively with turnover and financial performance enhanced in the first half. As we intend to further intensify our efforts in these areas, more resources would be allocated to reap greater economic benefits from these dealerships.

Electrical Appliances

Sales in this segment recorded a mild increase of 6.6% to HK$130.1 million.

In Hong Kong, sales of commercial air-conditioners were satisfactory as a result of our marketing promotions such as conducting seminars for wholesalers, contractors and property developers. However, the sales performance of our domestic air-conditioners has yet to improve due to the keen price competition in this market.

Looking ahead, while we are optimistic for the sales performance of commercial air-conditioners, we will reinforce our efforts for the marketing of domestic products to boost sales in this particular sector.

The performance of our subsidiaries in Singapore and Malaysia remained profitable and in line with the market in this region and pre-set budgets.

Fashion Apparels and Accessories

During the period, sales of our own men's wear brand "V-one" recorded a double-digit growth. In the second quarter, we opened our first store in Shenzhen. Additional stores will be opened in Southern and Eastern China in the second half of 2011.

Starting from the second quarter, a comprehensive and corporate improvement program was implemented in the fashion apparels and accessories segment, ranging from product design to the forefront of the business, in line with the management's objective to continuously enhance this retail business during the coming years.

HUMAN RESOURCES

During the period, number of employees was 462 (2010: 471). The Group offers competitive remuneration packages to staff, with discretionary bonus and share options granted to eligible staff based on individual and company performance.

PROSPECTS

In general, the operating results for the first half are in line with the management's expectation. We expect stronger performance in the second half in terms of sales and profits. The recent weakening of the US and Eurozone markets create concerns which might have an adverse effect on our businesses; however, this has not been in evidence so far in the past few weeks.

While we are monitoring the recent market development, we exercise caution in our investment and practise careful cash-flow management. The Group will increase its focus on the premium car distribution business in Greater China, more resources will be utilized to support this expanding business, as we have seen a substantial growth in the first half. This growth momentum of the premium car distribution business will continue in the second half. We are also encouraged by the excellent performance achieved in our car after sales service, which has begun to generate profit. This is achieved by our very capable after sales service team and our increasing customer base.

We also expect satisfactory performance in most of our other business segments in the second half. Cost rationalization and efficiency enhancement will be continued in the direction of market expansion and profit increase.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2011, 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 all the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules on the Stock Exchange during the six months ended June 30, 2011, except in relation to the separation of the roles of chairman and chief executive officer under the Code Provision A.2.1.

Code provision A.2.1 of the CG Code 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 of the Company. The board of Directors (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 were set out fully in the corporate governance report in the Company's 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 to 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, 2011.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2011 and was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.wokeehong.com.hk). The interim report will be despatched to the shareholders of the Company and available on the above websites in due course.

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

Hong Kong, August 26, 2011

As at the date of this announcement, the Board comprises Dr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE and Mr. Tik Tung WONG, all of whom are executive Directors, Ms. Kam Har YUE, who is a non-executive Director, Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG and Mr. Peter Pi Tak YIN, all of whom are independent non-executive Directors.

* *for identification purposes only*