

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **WONG'S INTERNATIONAL HOLDINGS LIMITED**

**王氏國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 99)**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

#### **FINANCIAL HIGHLIGHTS:**

- Operating profit was maintained at a stable level owing to a slight improvement in gross profit percentage and cost control measures.
- Profit attributable to owners of the Company decreased by approximately HK\$265.3 million mainly attributable to the decrease in the Group's share of profit in the Group's property development joint venture as there were no sales of office units or car parking spaces and less valuation increase from the investment properties held by the joint venture during the period.

#### **UNAUDITED INTERIM RESULTS**

The board of directors (the "Board" or "Directors") of Wong's International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016 as follows:

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

		<b>Unaudited</b>	
		<b>2016</b>	2015
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	2	<b>1,625,209</b>	1,902,963
Other income	3	<b>5,544</b>	4,886
Changes in inventories of finished goods and work in progress		<b>16,030</b>	12,444
Raw materials and consumables used		<b>(1,249,992)</b>	(1,476,326)
Employee benefit expenses		<b>(210,444)</b>	(242,628)
Depreciation and amortisation charges		<b>(20,474)</b>	(24,330)
Other operating expenses		<b>(75,103)</b>	(99,514)
Change in fair value of investment properties		–	701
Other losses – net	4	<b>(8,912)</b>	(3,636)
Operating profit		<b>81,858</b>	74,560
Finance income		<b>2,995</b>	6,062
Finance costs		<b>(8,276)</b>	(9,655)
Share of profit of joint ventures	8	<b>148,362</b>	414,124
<b>Profit before income tax</b>		<b>224,939</b>	485,091
Income tax expense	5	<b>(21,974)</b>	(16,750)
<b>Profit after income tax</b>		<b>202,965</b>	468,341
<b>Profit attributable to owners of the Company</b>		<b>202,965</b>	468,341
<b>Non-controlling interests</b>		–	–
		<b>202,965</b>	468,341
Dividends	6	<b>14,355</b>	14,355
<b>Earnings per share attributable to owners of the Company during the period</b>			
Basic earnings per share	7	<b>HK\$0.42</b>	HK\$0.98
Diluted earnings per share	7	<b>HK\$0.42</b>	HK\$0.98

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	<b>Unaudited</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the period</b>	<b>202,965</b>	468,341
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Currency translation differences	<b>(16,988)</b>	1,400
Reclassification adjustment of translation reserve upon de-registration of a subsidiary	–	11,553
Changes in fair value of available-for-sale financial assets	<b>(10,875)</b>	28,552
Reclassification adjustment on impairment of available-for-sale financial assets	<b>10,855</b>	–
Reclassification adjustment on disposal of available-for-sale financial assets	–	(6,458)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(17,008)</b>	35,047
<b>Total comprehensive income for the period</b>	<b>185,957</b>	503,388
<b>Attributable to:</b>		
Owners of the Company	<b>185,957</b>	503,388
Non-controlling interests	–	–
<b>Total comprehensive income for the period</b>	<b>185,957</b>	503,388

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET**  
*AS AT 30 JUNE 2016*

		<b>Unaudited</b>	Audited
		<b>As at</b>	As at
		<b>30 June</b>	31 December
		<b>2016</b>	2015
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>282,233</b>	280,237
Investment properties		<b>27,238</b>	27,471
Leasehold land and land use rights		<b>18,845</b>	19,367
Interests in joint ventures	8	<b>2,287,768</b>	2,098,576
Available-for-sale financial assets		<b>48</b>	68
Deferred income tax assets		<b>11,169</b>	10,727
Deposits and other receivables		<b>9,844</b>	1,920
Restricted cash		<b>3,518</b>	3,560
		<hr/> <b>2,640,663</b>	<hr/> 2,441,926
		<hr/> <b>2,640,663</b>	<hr/> 2,441,926
<b>Current assets</b>			
Inventories		<b>424,303</b>	366,365
Trade receivables	9	<b>755,909</b>	695,439
Prepayments, deposits and other receivables		<b>52,675</b>	63,738
Available-for-sale financial assets		<b>2,060</b>	12,915
Amounts due from associates		<b>9</b>	6
Current income tax recoverable		<b>8,809</b>	8,809
Non-current assets held for sale	10	<b>–</b>	–
Short-term bank deposits		<b>362,456</b>	218,823
Cash and cash equivalents		<b>616,651</b>	807,973
		<hr/> <b>2,222,872</b>	<hr/> 2,174,068
		<hr/> <b>2,222,872</b>	<hr/> 2,174,068
<b>Total assets</b>		<hr/> <b>4,863,535</b>	<hr/> 4,615,994
		<hr/> <b>4,863,535</b>	<hr/> 4,615,994

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2016

(continued)

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2016</b>	2015
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	47,848	47,848
Other reserves	514,426	523,904
Retained earnings		
– Dividends	14,355	21,532
– Others	2,222,402	2,041,322
	<u>2,799,031</u>	<u>2,634,606</u>
<b>Non-controlling interests</b>	<u>4</u>	<u>4</u>
<b>Total equity</b>	<u>2,799,035</u>	<u>2,634,610</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Derivative financial instrument	814	731
Deferred income tax liabilities	1,451	655
Borrowings	12 505,000	420,000
	<u>507,265</u>	<u>421,386</u>
<b>Current liabilities</b>		
Trade payables	11 759,120	657,280
Accruals and other payables	280,042	276,613
Current income tax liabilities	36,193	34,111
Borrowings	12 481,880	591,994
	<u>1,557,235</u>	<u>1,559,998</u>
<b>Total liabilities</b>	<u>2,064,500</u>	<u>1,981,384</u>
<b>Total equity and liabilities</b>	<u>4,863,535</u>	<u>4,615,994</u>
<b>Net current assets</b>	<u>665,637</u>	<u>614,070</u>
<b>Total assets less current liabilities</b>	<u>3,306,300</u>	<u>3,055,996</u>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	Unaudited				
	Attributable to owners of the Company			Non- Controlling interests	Total
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>		
<b>As at 1 January 2016</b>	47,848	153,025	2,433,733	4	2,634,610
<b>Comprehensive income</b>					
Profit for the period	–	–	202,965	–	202,965
<b>Other comprehensive income</b>					
Currency translation differences	–	–	(16,988)	–	(16,988)
Changes in fair value of available-for-sale financial assets	–	–	(10,875)	–	(10,875)
Reclassification adjustment on impairment of available-for-sale financial assets	–	–	10,855	–	10,855
Total other comprehensive loss	–	–	(17,008)	–	(17,008)
Total comprehensive income	–	–	185,957	–	185,957
<b>Transactions with owners</b>					
Dividend paid to owners of the Company	–	–	(21,532)	–	(21,532)
Total transactions with owners	–	–	(21,532)	–	(21,532)
<b>As at 30 June 2016</b>	<b>47,848</b>	<b>153,025</b>	<b>2,598,158</b>	<b>4</b>	<b>2,799,035</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**  
**(continued)**

	Unaudited				
	Attributable to owners of the Company			Non- Controlling interests	Total
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>		
As at 1 January 2015	47,848	153,025	1,946,572	4	2,147,449
<b>Comprehensive income</b>					
Profit for the period	–	–	468,341	–	468,341
<b>Other comprehensive income</b>					
Currency translation differences	–	–	1,400	–	1,400
Reclassification adjustment of translation reserve upon de-registration of a subsidiary	–	–	11,553	–	11,553
Changes in fair value of available-for-sale financial assets	–	–	28,552	–	28,552
Reclassification adjustment on disposal of available-for-sale financial assets	–	–	(6,458)	–	(6,458)
Total other comprehensive income	–	–	35,047	–	35,047
Total comprehensive income	–	–	503,388	–	503,388
<b>Transactions with owners</b>					
Dividend paid to owners of the Company	–	–	(23,924)	–	(23,924)
Total transactions with owners	–	–	(23,924)	–	(23,924)
As at 30 June 2015	<u>47,848</u>	<u>153,025</u>	<u>2,426,036</u>	<u>4</u>	<u>2,626,913</u>

## NOTES:

### 1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information (“Interim Financial Information”) for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim financial report’ issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

HKFRSs (Amendment)	Annual Improvements 2012–2014 Cycle
HKAS 1(Amendment)	Disclosure Initiative
HKFRS 14	Regulatory Deferral Accounts
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture
HKFRS 10, HKFRS 12 and HKAS28 (Amendment)	Investment Entities: Applying the consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants
HKAS 27 (Amendment)	Equity method in separate Financial Statements

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The Group has not applied any new standards and interpretations that are not effective for current accounting period.

### 2. SEGMENT INFORMATION

The Group’s senior executive management is considered as the Chief Operating Decision Maker (“CODM”). The Group is organised into three operating divisions:

Electronic Manufacturing Service (“EMS”) – manufacture and distribution of electronic products for EMS customers.

Original Design and Manufacturing (“ODM”) – original design and manufacturing for both EMS and ODM customers.

Property investment – development, sale and lease of properties.



The CODM reviews the performance of the Group on a regular basis and reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the operating segments based on a measure of segment results. This measurement basis includes profit or loss of the operating segments before other income, other losses – net, interest income, interest expense and income tax expense but excludes corporate and unallocated expenses. Other information provided to CODM is measured in a manner consistent with that in the Interim Financial Information.

**For the six months ended 30 June 2016**

	<b>EMS division HK\$'000</b>	<b>ODM division HK\$'000</b>	<b>Property investment division HK\$'000</b>	<b>Total HK\$'000</b>
Total gross revenue	1,625,282	9	–	1,625,291
Inter-segment revenue	(82)	–	–	(82)
External revenue	<u>1,625,200</u>	<u>9</u>	<u>–</u>	<u>1,625,209</u>
Segment results	<u>97,979</u>	<u>(376)</u>	<u>147,886</u>	<u>245,489</u>
Depreciation and amortisation charges	19,253	2	–	19,255
Share of profit of joint ventures	–	–	148,362	148,362
Change in fair value of investment properties	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Rental income	<u>–</u>	<u>–</u>	<u>603</u>	<u>603</u>
Capital expenditure	<u>25,346</u>	<u>–</u>	<u>–</u>	<u>25,346</u>
Loans to joint ventures	<u>–</u>	<u>–</u>	<u>40,830</u>	<u>40,830</u>

For the six months ended 30 June 2015

	EMS division <i>HK\$'000</i>	ODM division <i>HK\$'000</i>	Property investment division <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total gross revenue	1,903,014	1,064	–	1,904,078
Inter-segment revenue	(1,115)	–	–	(1,115)
External revenue	<u>1,901,899</u>	<u>1,064</u>	<u>–</u>	<u>1,902,963</u>
Segment results	<u>93,134</u>	<u>(3,642)</u>	<u>414,398</u>	<u>503,890</u>
Depreciation and amortisation charges	23,009	11	–	23,020
Share of profit of joint ventures	–	–	414,124	414,124
Change in fair value of investment properties	<u>–</u>	<u>–</u>	<u>701</u>	<u>701</u>
Rental income	<u>–</u>	<u>–</u>	<u>419</u>	<u>419</u>
Capital expenditure	<u>26,194</u>	<u>–</u>	<u>–</u>	<u>26,194</u>
Loans to joint ventures	<u>–</u>	<u>–</u>	<u>13,851</u>	<u>13,851</u>
	<b>EMS division <i>HK\$'000</i></b>	<b>ODM division <i>HK\$'000</i></b>	<b>Property investment division <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>As at 30 June 2016</b>				
Segment assets	<b>2,410,739</b>	<b>9,026</b>	<b>34,736</b>	<b>2,454,501</b>
Interests in joint ventures	<u>–</u>	<u>–</u>	<b>2,287,768</b>	<b>2,287,768</b>
<b>Total reportable segment assets</b>	<b><u>2,410,739</u></b>	<b><u>9,026</u></b>	<b><u>2,322,504</u></b>	<b><u>4,742,269</u></b>
<b>As at 31 December 2015</b>				
Segment assets	2,343,289	8,669	35,391	2,387,349
Interests in joint ventures	<u>–</u>	<u>–</u>	<u>2,098,576</u>	<u>2,098,576</u>
Total reportable segment assets	<u>2,343,289</u>	<u>8,669</u>	<u>2,133,967</u>	<u>4,485,925</u>

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, interests in joint ventures, restricted cash, inventories, trade receivables, prepayments, deposits and other receivables, non-current assets held for sale, cash and cash equivalents and short-term bank deposits, but exclude available-for-sale financial assets, deferred income tax assets, amounts due from associates and corporate and unallocated assets.

A reconciliation of reportable segment results to profit before income tax is provided as follows:

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Reportable segment results</b>	<b>245,489</b>	503,890
Other income	<b>5,544</b>	4,886
Other losses – net	<b>(8,912)</b>	(3,636)
Finance costs – net	<b>(5,281)</b>	(3,593)
Corporate and unallocated expenses	<b>(11,901)</b>	(16,456)
	<u><b>224,939</b></u>	<u>485,091</u>

Reportable segments assets are reconciled to total assets as follows:

	<b>As at 30 June 2016</b>	As at 31 December 2015
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>Reportable segment assets</b>	<b>4,742,269</b>
Available-for-sale financial assets	<b>2,108</b>	12,983
Deferred income tax assets	<b>11,169</b>	10,727
Amounts due from associates	<b>9</b>	6
Corporate and unallocated assets	<b>107,980</b>	106,353
	<u><b>4,863,535</b></u>	<u>4,615,994</u>

Reconciliations of other material items are as follows:

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation and amortisation charges		
– Reportable segment total	<b>19,255</b>	23,020
– Corporate headquarters	<b>1,219</b>	1,310
	<u><b>20,474</b></u>	<u>24,330</u>
Capital expenditure		
– Reportable segment total	<u><b>25,346</b></u>	<u>26,194</u>

The Company is domiciled in Bermuda. Analysis of the Group's revenue by geographical market, which is determined by the destination of the invoices billed, is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
North America	<b>319,937</b>	249,648
Asia (excluding Hong Kong)	<b>713,885</b>	963,841
Europe	<b>257,140</b>	334,157
Hong Kong	<b>334,247</b>	355,317
	<u><b>1,625,209</b></u>	<u>1,902,963</u>

For the six months ended 30 June 2016, revenues of approximately HK\$475,406,000 (2015: HK\$511,988,000), HK\$376,295,000 (2015: HK\$361,455,000) and HK\$236,162,000 (2015: HK\$231,435,000) were derived from the top three external customers respectively. These customers individually account for 10 percent or more of the Group's revenue. These revenues are attributable to the EMS division.

Analysis of the Group's non-current assets by geographical market is as follows:

	<b>As at 30 June 2016</b>	As at 31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
North America	<b>18</b>	26
Asia (excluding Hong Kong)	<b>244,020</b>	233,669
Europe	<b>50</b>	71
Hong Kong	<b>2,385,406</b>	2,197,433
	<u><b>2,629,494</b></u>	<u>2,431,199</u>

Non-current assets comprise property, plant and equipment, investment properties, leasehold land and land use rights, interests in joint ventures, available-for-sale financial assets, deposits and other receivables and restricted cash. They exclude deferred income tax assets.

### 3. OTHER INCOME

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	<b>603</b>	419
Others	<b>4,941</b>	4,467
	<u><b>5,544</b></u>	<u>4,886</u>

#### 4. OTHER LOSSES – NET

	For the six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Losses on financial instrument – net		
– Unrealised	(83)	(118)
– Realised	(270)	(334)
Gains on disposal of property, plant and equipment	1,117	566
Exchange losses – net	(224)	(154)
Write-back of trade and other payables	328	–
Write-back of trade receivables previously written-off	286	–
Translation reserve reclassified to profit or loss on de-registration of a subsidiary	–	(11,553)
Impairment on available-for-sale financial assets	(10,855)	–
Gain on disposal of available-for-sale financial assets	–	7,957
Gain on disposal of nil-paid rights shares of an available-for-sale financial asset	789	–
	<u>789</u>	<u>–</u>
	<u>(8,912)</u>	<u>(3,636)</u>

#### 5. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	–	4,634
– Overseas taxation	21,768	11,950
Deferred income tax	209	(1,291)
(Over)/under-provision in prior periods		
– Current income tax	(3)	1,457
	<u>(3)</u>	<u>1,457</u>
	<u>21,974</u>	<u>16,750</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong.

The Group's subsidiaries in Mainland China are subject to the China Corporate Tax ("CIT") at the rate of 25% (2015: 25%) on the estimated profits, except for Welco Technology (Suzhou) Limited ("WTSZ"), a wholly owned subsidiary of the Group. WTSZ is eligible for preferential CIT Rate of 15% under the New and High Technology Enterprises status.

## 6. DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
Interim dividend – HK\$0.03 (2015: HK\$0.03) per share	<u><b>14,355</b></u>	<u>14,355</u>

On 25 August 2016, the Board has resolved to pay an interim dividend of HK\$0.03 per share (2015: HK\$0.03 per share) which is payable on Thursday, 29 September 2016 to the shareholders whose names appear on the Register of Members of the Company on Thursday, 15 September 2016. This interim dividend, amounting to HK\$14,355,000 (2015: HK\$14,355,000) has not been recognised as a liability in this Interim Financial Information. It will be recognised in shareholders' equity in the year ending 31 December 2016.

## 7. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>For the six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>HK\$'000</b>	HK\$'000
Profit attributable to owners of the Company	<u><b>202,965</b></u>	<u>468,341</u>
Weighted average number of ordinary shares in issue ( <i>in thousands</i> )	<u><b>478,484</b></u>	<u>478,484</u>
Basic earnings per share (HK\$)	<u><b>0.42</b></u>	<u>0.98</u>

### (b) Diluted

No diluted earnings per share is presented for both periods because there is no dilutive potential ordinary shares outstanding throughout both periods.

## 8. INTERESTS IN JOINT VENTURES

	<b>As at 30 June 2016 HK\$'000</b>	As at 31 December 2015 HK\$'000	
	Share of net assets	<b>994,672</b>	846,310
	Loans to joint ventures	<u><b>1,293,096</b></u>	<u>1,252,266</u>
	<u><b>2,287,768</b></u>	<u>2,098,576</u>	

The loans to joint ventures are unsecured, interest-free and will not be repaid in the coming 12 months. They represent the Group's long-term interests that in substance form part of the Group's net investments in the joint ventures.

Movements in share of net assets is analysed as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 January	<b>846,310</b>	420,300
Share of profit of joint ventures	<b>148,362</b>	414,124
	<hr/>	<hr/>
At 30 June	<b>994,672</b>	834,424
	<hr/> <hr/>	<hr/> <hr/>

Share of profit of joint ventures included the share of fair value gain of investment properties owned by the joint ventures of approximately HK\$141,368,000 (2015: HK\$347,600,000).

## 9. TRADE RECEIVABLES

The credit period allowed by the Group to its trade customers mainly ranges from 30 days to 90 days and no interest is charged.

Ageing analysis of the Group's trade receivables by invoice date is as follows:

	<b>As at</b> <b>30 June</b> <b>2016</b> <i>HK\$'000</i>	As at 31 December 2015 <i>HK\$'000</i>
0 – 60 days	<b>591,265</b>	535,481
61 – 90 days	<b>124,679</b>	105,482
Over 90 days	<b>39,965</b>	54,476
	<hr/>	<hr/>
	<b>755,909</b>	695,439
	<hr/> <hr/>	<hr/> <hr/>

## 10. NON-CURRENT ASSETS HELD FOR SALE

	<b>As at</b> <b>30 June</b> <b>2016</b> <i>HK\$'000</i>	As at 31 December 2015 <i>HK\$'000</i>
Non-current assets held for sale	–	–
	<hr/> <hr/>	<hr/> <hr/>

Movements in non-current assets held for sale is analysed as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 January	–	18,203
Currency translation differences	–	(361)
	<hr/>	<hr/>
At 30 June	–	17,842
	<hr/> <hr/>	<hr/> <hr/>

On 23 August 2013, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the property and the leasehold land use rights in Vietnam for a consideration of US\$2,800,000. The property and the related land use rights were classified as non-current assets held for sale. The transaction was completed in October 2015 and a disposal gain of approximately HK\$3,547,000 was recognised to the profit or loss for the year ended 31 December 2015.

## 11. TRADE PAYABLES

Ageing analysis of the Group's trade payables by invoice date is as follows:

	As at 30 June 2016 <i>HK\$'000</i>	As at 31 December 2015 <i>HK\$'000</i>
0 – 60 days	700,325	590,521
61 – 90 days	33,664	59,705
Over 90 days	25,131	7,054
	<u>759,120</u>	<u>657,280</u>

## 12. BORROWINGS

	As at 30 June 2016 <i>HK\$'000</i>	As at 31 December 2015 <i>HK\$'000</i>
Long-term bank loan, secured	420,000	420,000
Trust receipt bank loans, unsecured	288,735	363,652
Short-term bank loans, unsecured	150,545	197,292
Portion of a long-term loan due for repayment within one year, secured	15,000	–
Portion of a long-term loan due for repayment after one year, secured	85,000	–
Portion of a mortgage loan from bank due for repayment within one year	6,900	6,900
Portion of a mortgage loan from bank due for repayment after one year which contains a repayment on demand clause	20,700	24,150
	<u>986,880</u>	<u>1,011,994</u>
Total borrowings	<u>986,880</u>	<u>1,011,994</u>
Non-current	505,000	420,000
Current	481,880	591,994
	<u>986,880</u>	<u>1,011,994</u>

## 13. SUBSEQUENT EVENT

Subsequent to the period, on 22 August 2016, the Company has entered into a share purchase agreement pursuant to which the Company conditionally agreed to subscribe for 10% of the enlarged share capital in Semk International Enterprises Limited (“SIEL”) at a consideration of HK\$30,800,000 by way of cash. SIEL will operate a business to license and commercialize the “B Duck” design as well as consultancy and design service for other brands. The consideration will be adjusted according to the net profit of the licensing business of SIEL for the year ending 31 December 2016, and in any event will be capped at HK\$50,000,000.



## **INTERIM DIVIDEND**

On 25 August 2016, the Board has resolved to pay an interim dividend of HK\$0.03 per share (2015: HK\$0.03 per share) which is payable on Thursday, 29 September 2016 to the shareholders whose names appear on the Register of Members of the Company on Thursday, 15 September 2016.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Tuesday, 13 September 2016 to Thursday, 15 September 2016, both days inclusive, during which period no transfer of shares shall be effected. To qualify for the above interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 12 September 2016.

## **REVIEW OF BUSINESS ACTIVITIES**

### **Review of Results**

The profit attributable to owners of the Company for the six months ended 30 June 2016 amounted to HK\$203.0 million, as compared to HK\$468.3 million for the corresponding period last year. The decrease was mainly attributable to the decrease in the Group's share of profit in the Group's property development joint venture as there were no sales of office units or car parking spaces and less valuation increase from the investment properties held by the joint venture during the period. Earnings per share for the six months were HK\$0.42 as compared to HK\$0.98 for the corresponding period last year.

The Group's revenue for the six months ended 30 June 2016 was HK\$1,625.2 million, as compared to HK\$1,903.0 million for the corresponding period last year. Operating profit for the six months ended 30 June 2016 was HK\$81.9 million or 5.0% of revenue, as compared to HK\$74.6 million or 3.9% of revenue for the corresponding period last year. The operating profit for the interim period under review was maintained at a stable level owing to a slight improvement in gross profit percentage and cost control measures.

### **Electronic Manufacturing Service ("EMS") and Original Design and Manufacturing ("ODM") Divisions**

Revenue for the EMS Division for the six months ended 30 June 2016 was HK\$1,625.2 million, as compared to HK\$1,901.9 million for the corresponding period last year. The segment profit attributable to the EMS Division was HK\$98.0 million, a 5.2% increase as compared to HK\$93.1 million for the corresponding period last year. The increase in the segment net profit was attributable to a slight improvement in gross profit percentage and cost control measures.

Revenue for the ODM Division for the six months ended 30 June 2016 was HK\$9 thousand, as compared to the HK\$1.1 million for the corresponding period last year. The sale for the tablets was slow as the market plateaued. However, the research and development efforts in tablets have provided technological innovations and opportunities of value added services to the EMS Division.

### **Property Investment Division**

The Group has two property development joint ventures with Sun Hung Kai Properties Limited on two sites for office buildings in Kwun Tong. The development project at the first site was officially completed in January 2014 and launched into the market in April 2014 under the name of “One Harbour Square”. Market reception for the building was favourable and units were sold steadily in 2014 and 2015. During the interim period under review, there were no sales of office units or car parking spaces but one office was leased, resulting in an increase in equity value of the joint venture, of which the Group’s share was HK\$148.4 million, as compared to the gains from sales and leased properties of HK\$414.1 million for the corresponding period last year.

The construction work for the second development project is proceeding as planned and the foundation and diaphragm wall were completed in February 2015. The site was handed over to the main contractor to commence the development construction in March 2015. The construction of the second site is targeted to be completed in 2017.

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2016, the Group had a total of HK\$2,930.3 million of banking facilities. Total bank borrowings were HK\$986.9 million (2015 December: HK\$1,012.0 million) and no borrowing was arranged by an overseas subsidiary. Cash and cash equivalents and short-term bank deposits were HK\$979.1 million at 30 June 2016 (2015 December: HK\$1,026.8 million). Cash flow generated from operations for the period was HK\$69.2 million.

As at 30 June 2016, the Group had net bank borrowings of HK\$7.8 million (net cash surplus in 2015 December: HK\$14.8 million). Sufficient banking facilities and bank balance are available to meet the cash needs of the Group for its manufacturing operations as well as property development activities.

The Group’s net gearing ratio as at 30 June 2016 stayed at low level of approximately 0.3% (2015 December: net cash surplus), which was calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents and short-term bank deposits.

### **FOREIGN EXCHANGE AND RISK MANAGEMENT**

Most of the Group’s sales are conducted in United States dollars and costs and expenses are mainly in United States dollars, Hong Kong dollars, Japanese Yen and Chinese Renminbi. Consistent with the prudent policy in financial risk management, the Group does not engage in any foreign exchange hedging products. The Group will closely monitor and actively manage the currency risk involved.

## **CAPITAL STRUCTURE**

There has been no material change in the Group's capital structure since 31 December 2015 which consists of bank borrowings, cash and cash equivalents, short-term bank deposits and equity attributable to owners of the parent, comprising issued share capital and reserves.

## **EMPLOYEES**

The Group employed approximately 4,300 employees as at 30 June 2016. The Group adopts a remuneration policy which is commensurate with job nature, qualification and experience of employees. In addition to the provision of annual bonuses, medical and life insurances, discretionary bonuses are also rewarded to employees based on individual performance. The remuneration packages and policies are reviewed periodically. The Group also provides in-house and external training programmes to its employees.

## **PROSPECTS**

Based on the current level of orders received and the forecasts provided by our customers, the Company expects that sales with the EMS business in the second half of 2016 will be comparable to the first half. We are cautious about the general business and economic conditions. The outcome of the referendum in the United Kingdom in June 2016 in favor of leaving the European Union implies an important downside risk for the global economy. The investment environment becomes more complex and difficult. This continues to present challenges to our EMS business in terms of its impact on the consumer and business sentiment, investment decisions, commodity prices, operating expenses and ultimately our competitiveness. The Company shall continue to improve operation efficiency through automation, lean, energy conservation and stringent cost control initiatives to meet the challenges. We strive to provide high quality, value-added services for our customers and continue to expand and enhance our service offering to meet industry needs.

As a result of the near completion of the first property development project in Kwun Tong, namely One Harbour Square, the share of profit from the property development joint venture in the second half of 2016 is expected to be minimal. Same as indicated previously, it is the Group's preference to hold its interest in the property development projects for long term and for leasing purposes after taking into consideration the market conditions and the financing requirements. The Company has been discussing with Sun Hung Kai Properties Limited a proposal to separate the parties' interests in One Harbour Square. These discussions are ongoing and no binding agreements have yet been signed. A further announcement will be made when and if agreement is reached. The above arrangements do not affect the second property development project at an adjacent site in Kwun Tong. Construction of the second project is targeted to be completed in late 2017. Sufficient funding in the form of committed bank loans have been arranged to complete the second project.

## **AWARD AND RECOGNITION**

The Company and its wholly-owned subsidiary, Wong's Electronics Company Limited, have been awarded the Caring Company Logo by the Hong Kong Council of Social Service since March 2012. In addition, Wong's F&B Limited, which is also a wholly-owned subsidiary of the Company, has also been awarded the Caring Company Logo in March 2016. These serve as recognition of the Group's active participation in community activities and good corporate citizenship.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE CODE**

During the six months ended 30 June 2016, the Company has complied with the code provisions under the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except for the following deviations:

### **Code provision A.2.1**

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong Chung Mat, Ben is the Group's Chairman and Chief Executive Officer and has occupied these two positions since February 2003. In allowing the two positions to be occupied by the same person, the Company has considered the following:

- (a) Both positions require in-depth knowledge and considerable experience of the Group's business. Candidates with the suitable knowledge, experience and leadership are difficult to find both within and outside the Group. If either of the positions is occupied by an unqualified person, the Group's performance could be gravely compromised.
- (b) The Company believes that the supervision of the Board and its Independent Non-executive Directors can provide an effective check and balance mechanism and ensures that the interests of the shareholders are adequately represented.

### **Code provision A.4.1**

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing Independent Non-executive Directors of the Company is appointed for a specific term. However, every Director of the Company is now subject to retirement by rotation and re-election under Bye-law 112 of the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

## **Code provisions A.5.1 to A.5.4**

Code provisions A.5.1 to A.5.4 provide that a nomination committee should be established with specific terms of reference which should be made available on the websites of the Stock Exchange and the listed issuer, and that sufficient resources should be provided to such committee to perform its duties.

The Company does not have present intention to establish a Nomination Committee in view that the Board itself shall discharge all duties expected to be dealt with by a Nomination Committee. In addition, a Policy and Procedure for Nomination of Directors have been set out in writing and adopted by the Board to serve as a guideline in order to ensure that there is a formal, considered and transparent procedure for the appointment of new Directors with suitable experience and capabilities to maintain and improve the competitiveness of the Company.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2016.

## **AUDIT COMMITTEE**

The Audit Committee, which comprises of three Independent Non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control systems and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30 June 2016.

## **PUBLICATION OF RESULTS AND INTERIM REPORT**

This results announcement is published on the Company’s website at [www.wih.com.hk/investor07.asp](http://www.wih.com.hk/investor07.asp) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2016 interim report will be dispatched to shareholders of the Company and will be available on the above websites in due course.

By order of the Board  
**WONG CHUNG MAT, BEN**  
*Chairman and Chief Executive Officer*

Hong Kong, 25 August 2016

*As at the date of this announcement, the Executive Directors are Mr. Wong Chung Mat, Ben, Ms. Wong Yin Man, Ada, Mr. Chan Tsze Wah, Gabriel, Mr. Wan Man Keung and Mr. Hung Wing Shun, Edmund; and the Independent Non-executive Directors are Dr. Li Ka Cheung, Eric GBS, OBE, JP, Dr. Yu Sun Say GBM, JP, Mr. Alfred Donald Yap JP and Mr. Cheung Chi Chiu, David.*

Website: [www.wih.com.hk](http://www.wih.com.hk)