



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 REPORT FOR 2011

**For identification purpose only*

UNAUDITED INTERIM RESULTS

The board of directors (the “Board” or “Directors”) of Wong’s International (Holdings) Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the “Group”) as at end for the six months ended 30 June 2011, together with comparative figures, as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

		Unaudited	
		For the six months	
		ended 30 June	
		2011	2010
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	1,889,685	1,656,474
Other income	4	30,218	1,945
Changes in inventories of finished goods and work in progress		(33,890)	(20,546)
Raw materials and consumables used		(1,465,619)	(1,293,287)
Employee benefit expense		(192,436)	(151,274)
Depreciation and amortisation charges	5	(22,010)	(27,656)
Other operating expenses	5	(118,574)	(88,715)
Change in fair value of investment properties		6,010	3,060
Other gains/(losses) – net	6	29	(619)
Operating profit		93,413	79,382
Finance income	7	3,501	1,238
Finance costs	7	(4,226)	(389)
Share of profit/(loss) of associates		93	(1,277)
Share of loss of jointly controlled entities		(178)	(76)
Profit before income tax		92,603	78,878
Income tax expense	8	(17,404)	(11,420)
Profit attributable to equity holders of the Company		75,199	67,458
Dividends	9	16,550	16,421
Earnings per share attributable to the equity holders of the Company during the period			
Basic earnings per share	10	HK\$0.16	HK\$0.14
Diluted earnings per share	10	HK\$0.16	HK\$0.14

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Unaudited	
	For the six months ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	75,199	67,458
Other comprehensive income:		
Currency translation differences	11,412	3,136
Other comprehensive income for the period	11,412	3,136
Total comprehensive income attributable to equity holders of the Company for the period	86,611	70,594

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2011

		Unaudited As at 30 June 2011 <i>HK\$'000</i>	Audited As at 31 December 2010 <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	11	255,775	262,485
Investment properties	11	41,560	35,550
Leasehold land and land use rights	11	6,723	6,659
Investments in associates		33,013	31,489
Investments in jointly controlled entities	12	290,252	282,292
Available-for-sale financial assets		3,938	3,938
Deferred income tax assets		15,775	12,294
		<u>647,036</u>	<u>634,707</u>
Current assets			
Inventories		438,275	443,376
Trade receivables	13	853,819	948,865
Prepayments, deposits and other receivables		61,152	62,214
Amounts due from associates		27,843	27,843
Financial assets at fair value through profit or loss		4,745	1,091
Pledged bank deposits		56,608	177,774
Cash and cash equivalents		529,686	400,251
		<u>1,972,128</u>	<u>2,061,414</u>
Total assets		<u><u>2,619,164</u></u>	<u><u>2,696,121</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	47,286	46,966
Other reserves		488,789	476,454
Retained earnings			
– Dividends		16,550	25,831
– Others		762,937	704,168
		<u>762,937</u>	<u>704,168</u>
Total equity		<u><u>1,315,562</u></u>	<u><u>1,253,419</u></u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2011

		Unaudited As at 30 June 2011 <i>HK\$'000</i>	Audited As at 31 December 2010 <i>HK\$'000</i>
LIABILITIES			
Non-current liability			
Deferred income tax liabilities		<u>6,940</u>	<u>5,948</u>
Current liabilities			
Trade payables	14	711,556	774,711
Accruals and other payables		167,115	195,532
Amount due to an associate		3,183	3,183
Derivative financial instruments	15	1,464	2,423
Current income tax liabilities		32,484	24,646
Borrowings	16	<u>380,860</u>	<u>436,259</u>
		<u>1,296,662</u>	<u>1,436,754</u>
Total liabilities		<u>1,303,602</u>	<u>1,442,702</u>
Total equity and liabilities		<u>2,619,164</u>	<u>2,696,121</u>
Net current assets		<u>675,466</u>	<u>624,660</u>
Total assets less current liabilities		<u>1,322,502</u>	<u>1,259,367</u>

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Unaudited			
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 January 2010	46,692	148,864	868,960	1,064,516
Comprehensive income				
Profit for the period	–	–	67,458	67,458
Other comprehensive income				
Currency translation difference	–	–	3,136	3,136
Total other comprehensive income	–	–	3,136	3,136
Total comprehensive income	–	–	70,594	70,594
Transactions with owners				
Dividend paid to equity holders of the Company	–	–	(9,365)	(9,365)
Share option scheme				
– value of employment services	–	–	(13)	(13)
– proceeds from shares issued	135	485	–	620
Total transactions with owners	135	485	(9,378)	(8,758)
As at 30 June 2010	<u>46,827</u>	<u>149,349</u>	<u>930,176</u>	<u>1,126,352</u>
As at 1 January 2011	46,966	149,848	1,056,605	1,253,419
Comprehensive income				
Profit for the period	–	–	75,199	75,199
Other comprehensive income				
Currency translation difference	–	–	11,412	11,412
Total other comprehensive income	–	–	11,412	11,412
Total comprehensive income	–	–	86,611	86,611
Transactions with owners				
Dividend paid to equity holders of the Company	–	–	(26,007)	(26,007)
Share option scheme				
– value of employment services	–	–	67	67
– proceeds from shares issued	320	1,152	–	1,472
Total transactions with owners	320	1,152	(25,940)	(24,468)
As at 30 June 2011	<u>47,286</u>	<u>151,000</u>	<u>1,117,276</u>	<u>1,315,562</u>

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities		
Net cash generated from/(used in) operating activities	101,342	(43,086)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(15,213)	(113,810)
Proceeds from disposal of property, plant and equipment	1,936	297
Additional investment in an associate	–	(23,314)
Decrease in amounts due from associates	–	2,736
Acquisition of financial assets at fair value through profit or loss	(3,497)	(811)
Decrease/(increase) in pledged bank deposits	121,166	(158,362)
Loans to jointly controlled entities	(8,138)	(97,954)
Interest received	3,501	1,238
Net cash generated from/(used in) investing activities	99,755	(389,980)
Cash flows from financing activities		
Proceeds from issue of shares	1,472	620
New bank loans	125,695	364,476
Repayment of bank loans	(181,856)	(23,286)
Dividends paid	(26,007)	(9,365)
Net cash (used in)/generated from financing activities	(80,696)	332,445

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net increase/(decrease) in cash and cash equivalents	120,401	(100,621)
Cash and cash equivalents, beginning of the period	400,251	446,978
Exchange differences	9,034	2,661
	<hr/>	<hr/>
Cash and cash equivalents, end of the period	<u>529,686</u>	<u>349,018</u>
Analysis of cash and cash equivalents:		
Cash on hand	314	424
Cash at bank	529,372	348,594
	<hr/>	<hr/>
Cash and cash equivalents, end of the period	<u>529,686</u>	<u>349,018</u>

The notes on pages 8 to 26 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information (“Interim Financial Information”) for the six months ended 30 June 2011 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”) and Appendix 16 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited. The Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

2 SIGNIFICANT ACCOUNTING POLICIES

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.

The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2010, except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning 1 January 2011.

The preparation of Interim Financial Information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011.

HKAS 24 (Revised)	Related party disclosures
HKAS 34 (Amendment)	Interim financial reporting

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations to existing standards effective in 2011 but not relevant to the Group:

HKAS 32	Classification of rights issues
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a minimum funding requirement
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments
Third improvements to HKFRSs (2010) issued in May 2010	

New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted.

HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets
HKFRS 7 (Amendment)	Disclosures – Transfers of financial assets
HKFRS 9	Financial instruments

3 SEGMENT INFORMATION

The Group's senior executive management is considered as the Chief Operating Decision Maker ("CODM"). The Group was organised into two 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.

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 gains/(losses) – net, share of profit/(loss) of associates and jointly controlled entities, interest income, interest expense, tax and change in fair value of investment properties but excludes corporate and unallocated expenses. Other information provided to the Group's management is measured in a manner consistent with that in the Interim Financial Information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 SEGMENT INFORMATION (continued)

For the six months ended 30 June 2011	Unaudited EMS division <i>HK\$'000</i>	Unaudited ODM division <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Total gross revenue	1,886,771	2,914	1,889,685
Inter-segment revenue	–	–	–
External revenue	<u>1,886,771</u>	<u>2,914</u>	<u>1,889,685</u>
Segment results	<u>74,881</u>	<u>(6,072)</u>	<u>68,809</u>
Depreciation and amortisation charges	<u>20,703</u>	<u>40</u>	<u>20,743</u>
Capital expenditure	<u>14,271</u>	<u>68</u>	<u>14,339</u>
For the six months ended 30 June 2010	Unaudited EMS division <i>HK\$'000</i>	Unaudited ODM division <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Total gross revenue	1,655,177	1,876	1,657,053
Inter-segment revenue	(579)	–	(579)
External revenue	<u>1,654,598</u>	<u>1,876</u>	<u>1,656,474</u>
Segment results	<u>92,023</u>	<u>(7,293)</u>	<u>84,730</u>
Depreciation and amortisation charges	<u>27,496</u>	<u>58</u>	<u>27,554</u>
Capital expenditure	<u>10,876</u>	<u>31</u>	<u>10,907</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 SEGMENT INFORMATION (continued)

	Unaudited EMS division <i>HK\$'000</i>	Unaudited ODM Division <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Reportable segment assets			
As at 30 June 2011	<u>2,040,517</u>	<u>8,145</u>	<u>2,048,662</u>
As at 31 December 2010	<u>2,018,000</u>	<u>5,138</u>	<u>2,023,138</u>

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, inventories, trade receivables, prepayments, deposits and other receivables, and cash and bank deposits, but exclude corporate and unallocated assets.

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

	Unaudited For the six months ended 30 June	
	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Reportable segment results	68,809	84,730
Other income	30,218	1,945
Change in fair value of investment properties	6,010	3,060
Other gains/(losses) – net	29	(619)
Finance (costs)/income – net	(725)	849
Share of profit/(loss) of associates	93	(1,277)
Share of loss of jointly controlled entities	(178)	(76)
Corporate and unallocated expenses	(11,653)	(9,734)
Profit before income tax	<u>92,603</u>	<u>78,878</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 SEGMENT INFORMATION (continued)

Reportable segment assets are reconciled to total assets as follows:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment assets	2,048,662	2,023,138
Investment properties	41,560	35,550
Investments in associates	33,013	31,489
Investments in jointly controlled entities	290,252	282,292
Available-for-sale financial assets	3,938	3,938
Deferred income tax assets	15,775	12,294
Amounts due from associates	27,843	27,843
Financial assets at fair value through profit or loss	4,745	1,091
Corporate and unallocated assets	153,376	278,486
	<hr/>	<hr/>
Total assets per condensed consolidated balance sheet	2,619,164	2,696,121
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Reconciliations of other material items are as follows:

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation and amortisation charges		
– Reportable segment total	20,743	27,554
– Corporate headquarters	1,267	102
	<hr/>	<hr/>
	22,010	27,656
	<hr/> <hr/>	<hr/> <hr/>
Capital expenditure		
– Reportable segment total	14,339	10,907
– Corporate headquarters	874	102,903
	<hr/>	<hr/>
	15,213	113,810
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 SEGMENT INFORMATION (continued)

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:

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
North America	183,055	143,765
Asia (excluding Hong Kong)	1,050,329	956,818
Europe	306,479	267,037
Hong Kong	349,822	288,854
	<u>1,889,685</u>	<u>1,656,474</u>

For the six months ended 30 June 2011, revenues of approximately HK\$603,376,000 (2010: HK\$530,563,000), HK\$420,660,000 (2010: HK\$228,614,000) and HK\$217,511,000 (2010: HK\$164,217,000) were derived from the top 3 external customers respectively. These revenues are attributable to the EMS division.

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

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
North America	216	185
Asia (excluding Hong Kong)	165,584	170,234
Europe	51	52
Hong Kong	465,410	451,942
	<u>631,261</u>	<u>622,413</u>

Non-current assets comprise property, plant and equipment, investment properties, leasehold land and land use rights, investments in associates, investments in jointly controlled entities and available-for-sale financial assets. They exclude deferred income tax assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 OTHER INCOME

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Write-back of trade payables	15,333	–
Scrap and spare parts sales	8,486	–
Tooling income	4,140	–
Sundry income	2,259	1,945
	<u>30,218</u>	<u>1,945</u>

5 PROFIT BEFORE INCOME TAX

Profit before income tax is analysed as follows:

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of property, plant and equipment	21,933	27,582
Amortisation on leasehold land and land use rights	77	74
Depreciation and amortisation charges	<u>22,010</u>	<u>27,656</u>
Operating lease rental in respect of land and buildings	9,658	4,658
Utility expenses	15,487	15,175
Write-back of trade receivables	–	(42)
Transportation	18,792	19,212
Chemicals and consumables	23,623	17,918
Others	51,014	31,794
Other operating expenses	<u>118,574</u>	<u>88,715</u>
Total depreciation, amortisation and other operating expenses	<u>140,584</u>	<u>116,371</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 OTHER GAINS/(LOSSES) – NET

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fair value change on financial instruments, net	243	(310)
Gains on disposal of property, plant and equipment	160	291
Exchange losses, net	(374)	(600)
	<u>29</u>	<u>(619)</u>

7 FINANCE (COSTS)/INCOME – NET

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income		
Interest income on short-term bank deposits	3,501	1,238
Finance costs		
Interest expenses on bank borrowings	(4,226)	(389)
Finance (costs)/income – net	<u>(725)</u>	<u>849</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The amount of income tax charged to the condensed consolidated interim income statement represents:

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	5,467	2,287
– Overseas taxation	13,852	4,492
Deferred income tax	(2,489)	4,641
Under-provision in prior years		
– Current income tax	574	–
	<u>17,404</u>	<u>11,420</u>

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 DIVIDENDS

	Unaudited	
	For the six months ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend – HK\$0.035 (2010: HK\$0.035) per share	16,550	16,421

The Board has resolved to pay an interim dividend of HK\$0.035 per share (2010: HK\$0.035 per share) on Friday, 30 September 2011 to the shareholders whose names appear on the Register of Members of the Company on Friday, 16 September 2011.

10 EARNINGS PER SHARE

(a) Basic

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

	Unaudited	
	For the six months ended 30 June	
	2011	2010
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	75,199	67,458
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	471,484	467,992
Basic earnings per share (<i>HK\$</i>)	0.16	0.14

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has outstanding share options, which are of dilutive potential. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u><u>75,199</u></u>	<u><u>67,458</u></u>
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	471,484	467,992
Adjustment for share options (<i>in thousands</i>)	<u>4,525</u>	<u>5,425</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>in thousands</i>)	<u><u>476,009</u></u>	<u><u>473,417</u></u>
Diluted earnings per share (<i>HK\$</i>)	<u><u>0.16</u></u>	<u><u>0.14</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 CAPITAL EXPENDITURE

	Unaudited Property, plant and equipment <i>HK\$'000</i>	Unaudited Investment properties <i>HK\$'000</i>	Unaudited Leasehold land and land use rights <i>HK\$'000</i>
For the six months ended 30 June 2010			
Opening net book amount as at 1 January 2010	176,372	35,120	6,569
Additions	113,810	–	–
Disposals	(6)	–	–
Fair value gains	–	3,060	–
Depreciation/amortisation	(27,582)	–	(74)
Exchange difference	444	–	57
	<u> </u>	<u> </u>	<u> </u>
Closing net book amount as at 30 June 2010	<u>263,038</u>	<u>38,180</u>	<u>6,552</u>
For the six months ended 30 June 2011			
Opening net book amount as at 1 January 2011	262,485	35,550	6,659
Additions	15,213	–	–
Disposals	(1,776)	–	–
Fair value gains	–	6,010	–
Depreciation/amortisation	(21,933)	–	(77)
Exchange difference	1,786	–	141
	<u> </u>	<u> </u>	<u> </u>
Closing net book amount as at 30 June 2011	<u>255,775</u>	<u>41,560</u>	<u>6,723</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Unaudited As at 30 June 2011 <i>HK\$'000</i>	Audited As at 31 December 2010 <i>HK\$'000</i>
Share of net assets	1,470	1,648
Loans to jointly controlled entities, net	<u>288,782</u>	<u>280,644</u>
	<u><u>290,252</u></u>	<u><u>282,292</u></u>

As at 30 June 2011, the Group had interests in the following principal jointly controlled entities, which are unlisted:

Name of company	Place of incorporation	Proportion of ownership interest (%)	Principal activities
Easywise Limited	Hong Kong	35.7%	Property holding
Crown Opal Investment Limited	Hong Kong	35.7%	Property holding

The loans to jointly controlled entities are unsecured, interest-free and will not be repaid in the coming 12 months. The Directors consider that the carrying amounts of the loans to the jointly controlled entities approximate their fair values. The amounts are denominated in Hong Kong dollars.

As at 30 June 2011, there were neither capital commitments nor contingent liabilities related to the development project.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 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:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2011	2010
	HK\$'000	HK\$'000
0-60 days	707,095	754,235
61-90 days	96,183	141,456
Over 90 days	50,541	53,174
	<u>853,819</u>	<u>948,865</u>

The carrying amounts of the Group's trade receivables approximated their fair values as at 30 June 2011.

14 TRADE PAYABLES

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

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2011	2010
	HK\$'000	HK\$'000
0-60 days	644,422	714,607
61-90 days	48,849	34,550
Over 90 days	18,285	25,554
	<u>711,556</u>	<u>774,711</u>

The carrying amounts of the Group's trade payables approximated their fair values as at 30 June 2011.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 DERIVATIVE FINANCIAL INSTRUMENTS

The Group's net fair values of derivative financial instruments were as follows:

	Unaudited		Audited	
	As at		As at	
	30 June 2011		31 December 2010	
	Asset	Liability	Asset	Liability
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Foreign currency forward contracts	–	1,464	–	2,423
	<u>–</u>	<u>1,464</u>	<u>–</u>	<u>2,423</u>

The fair value of a derivative is classified as a current asset or liability if the maturity of the underlying item is less than 12 months.

The credit quality of derivative assets has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

The total notional principal amounts of the outstanding forward foreign currency contracts at 30 June 2011 were buying United States dollars of approximately US\$6,998,000 for RMB46,607,000 (31 December 2010: US\$14,129,000 for RMB94,392,000). Net fair value gains on forward foreign currency contracts were recognised in other gains in the condensed consolidated interim income statement.

The above derivatives are measured at fair value at balance sheet date. Their fair values are determined based on the quoted forward exchanges rates at the balance sheet date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 BORROWINGS

	Unaudited As at 30 June 2011 <i>HK\$'000</i>	Audited As at 31 December 2010 <i>HK\$'000</i>
Trust receipts bank loans, unsecured	43,795	124,035
Short-term bank loans, unsecured	274,965	246,674
Portion of a mortgage loan from a bank due for repayment within 1 year	6,900	6,900
Portion of a mortgage loan from a bank due for repayment after 1 year which contains a repayment on demand clause	55,200	58,650
Total borrowings	380,860	436,259

Movements in borrowings are analysed as follows:

	Unaudited <i>HK\$'000</i>
For the six months ended 30 June 2010	
Opening amount at 1 January 2010	48,846
Inceptions of borrowings	364,476
Repayments of borrowings	(23,286)
Closing amount at 30 June 2010	390,036
For the six months ended 30 June 2011	
Opening amount at 1 January 2011	436,259
Inceptions of borrowings	125,695
Repayments of borrowings	(181,856)
Exchange difference	762
Closing amount at 30 June 2011	380,860

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 SHARE CAPITAL

	Number of shares	Nominal value <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2010 and 31 December 2010	700,000,000	70,000
At 1 January 2011 and 30 June 2011	700,000,000	70,000
Issued and fully paid:		
At 1 January 2010	466,921,794	46,692
New shares issued	2,736,000	274
At 31 December 2010	469,657,794	46,966
At 1 January 2011	469,657,794	46,966
New shares issued	3,201,000	320
At 30 June 2011	472,858,794	47,286

18 COMMITMENTS

- (a) Capital commitments in respect of property, plant and equipment are as follows:

	Unaudited As at 30 June 2011 <i>HK\$'000</i>	Audited As at 31 December 2010 <i>HK\$'000</i>
Contracted but not provided for	20,181	17,210
Authorised but not contracted for	5,798	5,658
	25,979	22,868

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 COMMITMENTS (continued)

- (b) The Group's future aggregate minimum lease payments under various non-cancellable operating lease agreements in respect of rented premises are analysed as follows:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2011	2010
	HK\$'000	HK\$'000
Within 1 year	10,291	11,573
In the 2nd to 5th year inclusive	30,460	34,640
Over 5 years	–	–
	<u>40,751</u>	<u>46,213</u>

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases and rentals are negotiated and fixed for an average of 2 years.

- (c) The Group's future rental income receivables under various non-cancellable operating leases in respect of rented premises are analysed as follows:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2011	2010
	HK\$'000	HK\$'000
Within 1 year	<u>13</u>	<u>13</u>

Operating lease income represents rentals receivable by the Group for leasing its investment properties. Leases and rentals are negotiated and fixed for an average of 1 year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 RELATED PARTY TRANSACTIONS

The Group was controlled by W. S. Wong & Sons Company Limited and Salop Investment Limited. As at 30 June 2011, W. S. Wong & Sons Company Limited and Salop Investment Limited owned 21.93% and 25.51% of the issued shares of the Company respectively. Related parties refer to entities in which the Group have the ability, directly or indirectly, to control or exercise significant influence over in making financial and operating decisions or directors or offices of the Group. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Transactions with related parties

In addition to those related party transactions disclosed elsewhere in the condensed consolidated interim financial information, during the period, the Group entered into the following transactions with its associates.

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Management fee received	<u>–</u>	<u>198</u>

(b) Balances with related parties

The amounts due from/to associates repayable on demand are unsecured, interest-free and without pre-determined repayment terms.

(c) Key management compensation

	Unaudited	
	For the six months	
	ended 30 June	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Salaries and allowances	7,735	6,574
Bonus	881	908
Pension costs – defined contribution schemes	59	54
Employee share option scheme – value of employment services	<u>31</u>	<u>356</u>
	<u>8,706</u>	<u>7,892</u>

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK\$0.035 per share (2010: HK\$0.035 per share) on Friday, 30 September 2011 to the shareholders whose names appear on the Register of Members of the Company on Friday, 16 September 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 14 September 2011 to Friday, 16 September 2011, 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, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Monday, 12 September 2011.

REVIEW OF BUSINESS ACTIVITIES

Electronic Manufacturing Service (“EMS”) and Original Design and Manufacturing (“ODM”) Divisions

For the first six months ended 30 June 2011, the Group's turnover was HK\$1.89 billion, increased by 14% from HK\$1.66 billion in 2010, mainly due to the continuing of the improved customer demand, which began from the end of 2009. Sales growth came from industrial and energy products.

Profit attributable to equity holders increased 11% to HK\$75.2 million in 2011 from HK\$67.5 million in 2010. The profit growth resulted from the increased sales volume.

During the period under review, the manpower cost in PRC continued to increase as the result of minimum wage regulatory requirement and the shortage of labour force. Our utmost effort in up-keeping the high operational efficiency largely offset such manpower cost increase impact.

REVIEW OF BUSINESS ACTIVITIES (continued)

Electronic Manufacturing Service (“EMS”) and Original Design and Manufacturing (“ODM”) Divisions (continued)

For the first six months ended 30 June 2011, sales revenue of EMS Division increased 14% to HK\$1.89 billion from HK\$1.65 billion for the same period of 2010. Sales revenue for Shajing factory in Shenzhen grew by 12% and the factory at Suzhou also increased by 18% as compared with 2010’s first half year. The increase in the overall sales at EMS Division was largely driven by the improved customer demand for electronic products in industrial and energy products while demand for computer peripheral products remained stable. The segment results attributable to EMS Division was HK\$74.9 million (2010 interim: HK\$92 million). Other income, which was not included in the segment results, increased mainly due to scrap and spare parts sales, trade payables written-back and tooling income.

For the ODM Division, sales revenue increased to HK\$2.9 million (2010 interim: HK\$1.9 million). The segment loss attributable to ODM Division was HK\$6.1 million (2010 interim: HK\$7.3 million). The revenue increase was mainly attributed to the new sales by iCarte for Apple iPhone starting in the early part of 2011. International sales of iCarte generated from Europe, South Korea, Singapore and Australia on new mobile payment deployments are the key growth drivers for the sales expansion in the second half of 2011.

Property Development

Kwun Tong office buildings

The Group has two jointly controlled entities with Sun Hung Kai Properties Limited on the development of two sites for office buildings. The Group has paid its proportional share of the land premium for lease modification on one of the sites. Foundation works is due to completion in the second half of the year 2011. In respect of the second site where Wong’s Industrial Centre is currently located, the land premium is still in discussion with the District Land Office based on a preliminary assessment received. We expect the land premium assessment to be finalized around end of this year or early next year. Demolition of Wong’s Industrial Centre on the second site is expected to commence upon the finalization of the said land premium.

REVIEW OF BUSINESS ACTIVITIES (continued)

Property Development (continued)

Mid-level residential

During the first half of 2011, the project development company sold a duplex unit together with a parking space at a cash consideration of approximately HK\$36.8 million (the Group's interest in this project development represents 25.26%). As at 30 June 2011, there were two residential units remaining, consisted of one duplexes and one combined units. In addition, there were eight parking spaces which remain unsold. According to the market evaluation, the Directors expected that the balance of the amount due from the Mid-level development project amounting to HK\$24.3 million will be recoverable and thus no further impairment provision is necessary.

Media Network

The Group currently has an investment in Focus Media Network Limited ("FMN") for 18.75% (25% before its IPO). Its shares have been listed on the GEM Board of the Hong Kong Stock Exchange since 28 July 2011. FMN is on out-of-home digital screen network business, which is one of the fastest growing advertising sectors after the internet. FMN has extensive network at office buildings and renowned retail outlets.

FINANCE

As at 30 June 2011, the Group had HK\$988.7 million of total banking facilities. Total bank borrowings were HK\$380.9 million, of which a loan of HK\$29.0 million was arranged by an overseas subsidiary and a sum of HK\$56.6 million was back-up by the pledged deposit in PRC for trade payment.

Cash and bank deposits were HK\$586.3 million at 30 June 2011 (2010 December: HK\$578.0 million).

As at 30 June 2011, the Group had a net cash surplus of HK\$205.4 million in excess of the bank borrowings as compared to the net cash surplus of HK\$141.8 million in excess of the bank borrowings at 31 December 2010.

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 Renminbi. Forward contracts are used to hedge foreign exchange exposures where it is necessary or practicable.

CAPITAL STRUCTURE

There had been no material change in the Group's capital structure since 31 December 2010 which consists of bank borrowings, cash and cash equivalents and equity attributable to owners of the parent, comprising issued share capital and reserves.

EMPLOYEES

As at 30 June 2011, the Group employed approximately 5,800 employees of whom approximately 4,800 were production workers. In addition to the provision of annual bonuses, medical and life insurances, discretionary bonuses are also available to employees based on individual performance. The remuneration packages and policies are reviewed periodically.

The Group also provides in-house and external training programs to its employees.

PROSPECTS

Based on the current level of orders and forecast provided by our customers, the Group is conservative with its revenue and profitability in the second half of the current year. The economic recovery in US and Europe is still not in a good shape. Japan tsunami, which happened in March 2011, continues to affect the supply chain in the remaining year. In this connection, we will expect the vulnerable economic environment may limit the customer demand in the second half year. As to the business environment specifically in PRC, labour shortage, wage increase, inflation and Renminbi appreciation remain the challenges to us. Nevertheless, the Group will find ways to improve the sales, streamline the operations and enhance its efficiency.

On behalf of the Directors, I would like to sincerely thank our customers, suppliers and business partners for their continued confidence in and support to the Group. I would also like to pay a special tribute to all of our employees for their loyal, diligent and professional services to the Group.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2011, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

Long positions in shares and underlying shares of the Company

Name of Directors	Capacity	Number of ordinary shares	Underlying shares (share options)	Total number of ordinary shares	Approximate percentage of the issued shares
Wong Chung Mat, Ben	Beneficial owner and interest of controlled corporation (<i>Note 1</i>)	121,630,911	–	121,630,911	25.72%
Wong Yin Man, Ada	Beneficial owner	500,000	500,000	1,000,000	0.21%
Wong Chung Ah, Johnny	Beneficial owner, interest of spouse and founder of a discretionary trust (<i>Note 2</i>)	40,693,487	–	40,693,487	8.61%
Chan Tsze Wah, Gabriel	Beneficial owner	1,387,500	450,000	1,837,500	0.39%
Tan Chang On, Lawrence	Beneficial owner	510,000	500,000	1,010,000	0.21%
Wan Man Keung	Beneficial owner	500,000	500,000	1,000,000	0.21%

Notes:

1. Mr. Wong Chung Mat, Ben was deemed (by virtue of the SFO) to be interested in 121,630,911 shares in the Company. These shares were held in the following capacity:
 - (a) 1,000,000 shares were held by Mr. Wong Chung Mat, Ben personally.
 - (b) 120,630,911 shares were held by Salop Investment Limited, which was wholly owned and controlled by Mr. Wong Chung Mat, Ben.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES (continued)

Long positions in shares and underlying shares of the Company (continued)

Notes: (continued)

2. Mr. Wong Chung Ah, Johnny was deemed (by virtue of the SFO) to be interested in 40,693,487 shares in the Company. These shares were held in the following capacity:
 - (a) 1,000,000 shares were held by Mr. Wong Chung Ah, Johnny personally.
 - (b) 1,235,000 shares were held by Ms. Luk Kit Ching, wife of Mr. Wong Chung Ah, Johnny.
 - (c) 38,458,487 shares were held by Kong King International Limited under a discretionary trust, of which Mr. Wong Chung Ah, Johnny was regarded as the founder (by virtue of the SFO). Kong King International Limited was wholly owned by Mountainview International Limited, which was wholly owned by HSBC Trustee (Cook Islands) Limited. Each of Mr. Wong Chung Ah, Johnny (as disclosed herein), Kong King International Limited, Mountainview International Limited and HSBC Trustee (Cook Islands) Limited (as disclosed in the section headed “Interests of substantial shareholders”) was deemed to be interested in the same block of 38,458,487 shares.

Long positions in shares of associated corporation of the Company

Name of Director	Associated corporation	Capacity	Number of ordinary shares	Approximate percentage of the issued shares
Wong Chung Ah, Johnny	Wong's Properties Limited	Interest of controlled corporation (<i>Note</i>)	2	50%

Note: Mr. Wong Chung Ah, Johnny was deemed (by virtue of the SFO) to be interested in 2 shares representing 50% in Wong's Properties Limited.

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for the Company or other subsidiaries of the Company.

Save as disclosed herein, as at 30 June 2011, none of the Directors or chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executives of the Company, as at 30 June 2011, persons (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in shares of the Company

Name of substantial shareholders	Capacity	Number of ordinary shares	Approximate percentage of the issued shares
Salop Investment Limited	Beneficial owner (<i>Note 1</i>)	120,630,911	25.51%
W. S. Wong & Sons Company Limited	Beneficial owner (<i>Note 2</i>)	103,698,379	21.93%
Wong Chung Yin, Michael	Interest of controlled corporation and founder of discretionary trusts (<i>Note 3</i>)	75,504,172	15.97%
Batsford Limited	Trustee (<i>Note 3(a)</i>)	46,620,212	9.86%
Levy Investment Limited	Beneficial owner (<i>Note 3(a)</i>)	46,620,212	9.86%
HSBC International Trustee Limited	Trustee (<i>Note 4</i>)	40,957,546	8.66%
Kong King International Limited	Beneficial owner (<i>Note 5</i>)	38,458,487	8.13%
Mountainview International Limited	Trustee (<i>Note 5</i>)	38,458,487	8.13%
HSBC Trustee (Cook Islands) Limited	Trustee (<i>Note 5</i>)	38,458,487	8.13%

Notes:

- Salop Investment Limited was a company wholly owned and controlled by Mr. Wong Chung Mat, Ben. Please refer to Note 1(b) under the section headed "Interests of directors and chief executives".
- W. S. Wong & Sons Company Limited was a company controlled by the Wong's family.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (continued)

Long positions in shares of the Company (continued)

Notes: (continued)

3. Mr. Wong Chung Yin, Michael was deemed (by virtue of the SFO) to be interested in 75,504,172 shares in the Company. These shares were held in the following capacity:
 - (a) 46,620,212 shares were held by Levy Investment Limited, which was in turn wholly owned by Batsford Limited, a trustee under a discretionary trust of which Mr. Wong Chung Yin, Michael was regarded as the founder (by virtue of the SFO).
 - (b) 17,584,960 shares were held by Levy Pacific Limited under a discretionary trust, of which Mr. Wong Chung Yin, Michael was regarded as the founder (by virtue of the SFO) and HSBC International Trustee Limited was the trustee. Please see Note 4(a) below.
 - (c) 11,299,000 shares were held by Pacific Way Limited, which was owned by Mr. Wong Chung Yin, Michael and his wife, Ms. Woo Sin Ming, in equal share.
4. HSBC International Trustee Limited was deemed (by virtue of the SFO) to be interested in 40,957,546 shares in the Company. These shares were held in the following capacity:
 - (a) 17,584,960 shares were held by Levy Pacific Limited (which was wholly owned by HSBC International Trustee Limited) under a discretionary trust, of which Mr. Wong Chung Yin, Michael was regarded as the founder (please refer to Note 3(b) above) and HSBC International Trustee Limited was the trustee.
 - (b) 11,357,150 shares were held by Floral (PTC) Inc. (which was wholly owned by HSBC International Trustee Limited) under a discretionary trust of which HSBC International Trustee Limited was the trustee.
 - (c) 12,015,436 shares were held by Sycamore Assets Limited (which was wholly owned by HSBC International Trustee Limited) under a discretionary trust of which HSBC International Trustee Limited was the trustee.
5. 38,458,487 shares were held by Kong King International Limited under a discretionary trust, of which Mr. Wong Chung Ah, Johnny was regarded as the founder. Kong King International Limited was wholly owned by Mountainview International Limited, which was wholly owned by HSBC Trustee (Cook Islands) Limited. Each of Mr. Wong Chung Ah, Johnny, Kong King International Limited, Mountainview International Limited and HSBC Trustee (Cook Islands) Limited was deemed to be interested in the same block of 38,458,487 shares.

Save as disclosed, the Directors are not aware of any other persons who, as at 30 June 2011, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

SHARE OPTIONS

The Company's employee share option scheme came into effect on 30 July 2000 (the "Old Scheme") was expired at the close of business on 29 July 2010 and a new share option scheme was adopted on 2 June 2010 (the "New Scheme"). During the six months ended 30 June 2011, movements of the options granted under the Old Scheme were as follows:

Grantee	Date of grant	Exercise price per share	Exercisable period	Number of share options				
				At 1 January 2011	Granted during the period	Exercised during the period	Lapsed during the period	At 30 June 2011
Directors								
Wong Yin Man, Ada	22 December 2008	HK\$0.46	22 December 2009 to 21 December 2013	500,000	–	–	–	500,000
Chan Tsze Wah, Gabriel	22 December 2008	HK\$0.46	22 December 2009 to 21 December 2013	450,000	–	–	–	450,000
Tan Chang On, Lawrence	22 December 2008	HK\$0.46	22 December 2009 to 21 December 2013	1,000,000	–	(500,000) ¹	–	500,000
Wan Man Keung	22 December 2008	HK\$0.46	22 December 2009 to 21 December 2013	500,000	–	–	–	500,000
				<u>2,450,000</u>	<u>–</u>	<u>(500,000)</u>	<u>–</u>	<u>1,950,000</u>
Employees	22 December 2008	HK\$0.46	22 December 2009 to 21 December 2013	6,601,000	–	(2,701,000) ²	–	3,900,000
				<u>9,051,000</u>	<u>–</u>	<u>(3,201,000)</u>	<u>–</u>	<u>5,850,000</u>
			TOTAL:	<u>9,051,000</u>	<u>–</u>	<u>(3,201,000)</u>	<u>–</u>	<u>5,850,000</u>

Notes:

1. The weighted average closing price of the shares immediately before the respective exercise date of the options was HK\$2.35.
2. The weighted average closing price of the shares immediately before the respective exercise date of the options was HK\$2.17.

SHARE OPTIONS (continued)

3. Options granted are vested as follows:

	No. of options vested
(1) In the year commencing on and including the date of the first anniversary of the date of grant up to and excluding the second anniversary of the date of grant.	up to 25% of the total number of shares comprised in the option
(2) In the year commencing on and including the date of the second anniversary of the date of grant up to and excluding the third anniversary of the date of grant.	an additional 25% and any unexercised portion of the previous year's 25%
(3) In the year commencing on and including the date of the third anniversary of the date of grant up to and excluding the fourth anniversary of the date of grant.	an additional 25% and any unexercised portion of the previous two years' 50%
(4) In the year commencing on and including the date of the fourth anniversary of the date of grant up to and excluding the fifth anniversary of the date of grant.	the balance of the total number of shares comprised in the option

Upon expiration of the Old Scheme, no further options shall be granted but in all other aspects, the provisions of the Old Scheme shall remain in force and all options granted prior to its expiration shall continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

No option has been granted under the New Scheme since its adoption date and up to 30 June 2011.

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

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2011, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the “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:

1. Code provision A.2.1

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.

2. Code provision A.4.1

None of the existing Non-executive Directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, every Director of the Company is now subject to retirement by rotation 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 Code.

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 2011.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

During the period concerned, Ms. Wong Yin Man, Ada, an Executive Director of the Company, ceased to be responsible for managing the Management Information System of the Electronic Manufacturing Service Division of the Group in Shenzhen.

On 9 June 2011, Mr. Chan Tsze Wah, Gabriel, an Executive Director of the Company, was appointed as non-executive director of Focus Media Network Limited whose shares have been listed on the GEM Board of the Stock Exchange since 28 July 2011.

AUDIT COMMITTEE

The Audit Committee, which comprises all Independent Non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30 June 2011.

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

Hong Kong, 23 August 2011

BOARD OF DIRECTORS

Executive Directors:

Mr. Wong Chung Mat, Ben
Ms. Wong Yin Man, Ada
Mr. Wong Chung Ah, Johnny
Mr. Chan Tsze Wah, Gabriel
Mr. Tan Chang On, Lawrence
Mr. Wan Man Keung

Independent Non-executive Directors:

Dr. Li Ka Cheung, Eric, GBS, OBE, JP
Dr. Yu Sun Say, GBS, JP
Mr. Alfred Donald Yap, JP