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WONG'S INTERNATIONAL HOLDINGS LIMITED

王氏國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 99)

CONNECTED TRANSACTION

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On 31 December 2019, WEHC, a wholly-owned subsidiary of the Company, purchased certain equipment and accessories from WKK Electronic, a wholly-owned subsidiary of WKK Holdings.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of the Transaction, the issued share capital of WKK Holdings was legally and beneficially owned as to 46.08% by Mr. Senta Wong, 3.24% by Mr. Wong Chung Ah, Johnny and 5.81% by Mr. Wong Chung Yin, Michael. Mr. Senta Wong, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael are brothers of Mr. Wong Chung Mat, Ben, the Executive Director and substantial shareholder of the Company. Both Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael are substantial shareholders of the Company. As WKK Electronic is a majority-controlled company (as defined under the Listing Rules) of Mr. Senta Wong, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael, it is an associate of Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael and is therefore a connected person under Rule 14A.12(2)(b) of the Listing Rules.

The Transaction constituted connected transaction for the Company under Chapter 14A of the Listing Rules. The Transaction falls to be aggregated with the previous connected transactions announced by the Company on 15 October 2019 because they were entered into within a 12-month period. As the relevant percentage ratios in respect of the transactions were less than 5% but the aggregate consideration for the transactions exceeded HK\$3,000,000 on an annual basis, the Transaction constituted connected transaction for the Company subject to the reporting and announcement requirements but was exempt from independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

CONNECTED TRANSACTION

Date

31 December 2019

Type of transaction

Purchases of equipment and accessories by WEHC from WKK Electronic

Consideration

Purchase order 1: JPY79,755,320 (or approximately HK\$5,742,383)

Purchase order 2: JPY66,600,220 (or approximately HK\$4,795,216)

When aggregated with the previous connected transactions announced by the Company on 15 October 2019, the aggregate consideration would be JPY269,920,840 (or approximately HK\$19,557,866).

The consideration was determined after arm's length negotiations between the parties and on an order-by-order basis. The Transaction arose from the Group's requirement to source production facilities to be installed at its manufacturing facilities in Vietnam. WEHC short-listed three key brands for consideration and WKK Electronic was the distributor for one of the brands. WEHC carried out a thorough assessment and comparison between the brands based on systematic scoring on a number of selection criteria. The criteria included specifications, price and performance designed to assess the productivity performance of each piece of equipment. In the case of the Transaction, the orders were finally awarded to the brand for which WKK Electronic was the distributor based on an assessment that, as between the three short-listed brands, it offered the best productivity performance for the required manufacturing role. In addition, the final price of the equipment was determined after several rounds of negotiations on an arm's length basis. The original price of equipment and accessories of WKK Electronic was not being disclosed to WEHC. Taking into account the assessments carried out by WEHC and these negotiations, the Company considers that the Transaction took place on terms which were no more favourable to WKK Electronic than terms that would have been available to an independent supplier able to supply similar equipment.

The consideration for the Transaction will be satisfied by cash in the following manner:

- (a) an initial deposit of 30% of the consideration upon confirmation of purchase orders;
- (b) a further deposit of 40% of the consideration upon delivery of the equipment and accessories; and
- (c) balance of the consideration after installation of the equipment.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND THE PARTIES TO THE CONNECTED TRANSACTION

The Company and its subsidiaries are principally engaged in the development, manufacture, marketing and distribution of electronics products as well as property holding.

WEHC is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

WKK Electronic is a company incorporated in Hong Kong with limited liability and is principally engaged in trading and distribution of electronic products.

RELATIONSHIP BETWEEN THE GROUP AND THE PARTIES TO THE CONNECTED TRANSACTION

As at the date of the Transaction, the issued share capital of WKK Holdings was legally and beneficially owned as to 46.08% by Mr. Senta Wong, 3.24% by Mr. Wong Chung Ah, Johnny and 5.81% by Mr. Wong Chung Yin, Michael. Mr. Senta Wong, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael are brothers of Mr. Wong Chung Mat, Ben, the Executive Director and substantial shareholder of the Company. Both Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael are substantial shareholders of the Company. As WKK Electronic is a majority-controlled company (as defined under the Listing Rules) of Mr. Senta Wong, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael, it is an associate of Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael and is therefore a connected person under Rule 14A.12(2)(b) of the Listing Rules. Accordingly, the Transaction constituted connected transaction for the Company under Chapter 14A of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

The Transaction falls to be aggregated with the previous connected transactions announced by the Company on 15 October 2019 because they were entered into within a 12-month period. As the relevant percentage ratios in respect of the transactions were less than 5% but the aggregate consideration for the transactions exceeded HK\$3,000,000 on an annual basis, the Transaction constituted connected transaction for the Company subject to the reporting and announcement requirements but was exempt from independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Other than Mr. Wong Chung Mat, Ben, who abstained from voting on the board resolutions of the Company which have been passed to ratify, approve and confirm the Transaction, none of the Directors has a material interest in the Transaction.

The Directors (other than Mr. Wong Chung Mat, Ben), including the Independent Non-executive Directors, consider that the terms of the Transaction were fair and reasonable, and the Transaction was entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE TRANSACTION

In view of the new manufacturing facility in Vietnam, the Board considers that the equipment and accessories purchased from WKK Electronic can fulfill the production requirements of the electronic manufacturing services business of the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Wong’s International Holdings Limited (王氏國際集團有限公司), a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 99)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JPY”	Japanese yen
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the purchases of equipment and accessories by WEHC from WKK Electronic on 31 December 2019
“WEHC”	WEHC Limited (王氏電子集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“WKK Electronic”

WKK Electronic Equipment Limited (王氏港建電子設備有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of WKK Holdings

“WKK Holdings”

Wong’s Kong King International (Holdings) Limited, a company incorporated in Bermuda with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 532)

In this announcement, save as otherwise stated, figures in JPY are translated to HK\$ at the exchange rate of JPY1.00 = HK\$0.072 for illustration purposes only.

On behalf of the Board
WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

Hong Kong, 31 December 2019

As at the date of this announcement, the Executive Directors are Mr. Wong Chung Mat, Ben, Ms. Wong Yin Man, Ada, Dr. 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.

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