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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 TRANSACTIONS

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On 26 April 2019, 28 June 2019 and 20 September 2019, Wong's Electronics and WEHC, wholly-owned subsidiaries 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 respective dates of the Transactions, the issued share capital of WKK Holdings was legally and beneficially owned as to 46.08% by Mr. Senta Wong and 5.96% by Mr. Wong Chung Yin, Michael. Both Mr. Senta Wong and Mr. Wong Chung Yin, Michael are brothers of Mr. Wong Chung Mat, Ben, the Executive Director and substantial shareholder of the Company and of Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael, both being substantial shareholders of the Company. As WKK Electronic is a majority-controlled company (as defined under the Listing Rules) of Mr. Senta Wong 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 Transactions constituted connected transactions for the Company under Chapter 14A of the Listing Rules. 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 Transactions constituted connected transactions for the Company subject to the reporting and announcement requirements when the aggregate amount of the Transactions exceeded HK\$3,000,000 on 28 June 2019 but were exempt from independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

CONNECTED TRANSACTIONS

Wong's Electronics and WEHC entered into the following connected transactions with WKK Electronic:

Date	Types of transaction	Consideration
1. 26 April 2019	Purchases of equipment and accessories by Wong's Electronics from WKK Electronic	JPY27,360,040 (or approximately HK\$1,997,283)
2. 28 June 2019	Purchases of equipment and accessories by Wong's Electronics from WKK Electronic	JPY27,360,040 (or approximately HK\$1,997,283)
3. 20 September 2019	Purchases of equipment and accessories by WEHC from WKK Electronic	JPY68,845,220 (or approximately HK\$5,025,701)

The aggregate consideration of the Transactions was JPY123,565,300 (or approximately HK\$9,020,267), which was determined after arm's length negotiations between the parties and on an order-by-order basis. The consideration for all the Transactions was 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 TRANSACTIONS

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

Wong's Electronics is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and trading of electronic products.

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 TRANSACTIONS

As at the respective dates of the Transactions, the issued share capital of WKK Holdings was legally and beneficially owned as to 46.08% by Mr. Senta Wong and 5.96% by Mr. Wong Chung Yin, Michael. Both Mr. Senta Wong and Mr. Wong Chung Yin, Michael are brothers of Mr. Wong Chung Mat, Ben, the Executive Director and substantial shareholder of the Company and of Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael, both being substantial shareholders of the Company. As WKK Electronic is a majority-controlled company (as defined under the Listing Rules) of Mr. Senta Wong 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 Transactions constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

The Transactions fall to be aggregated 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 Transactions constituted connected transactions for the Company subject to the reporting and announcement requirements when the aggregate amount of the Transactions exceeded HK\$3,000,000 on 28 June 2019 but were 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 Transactions, none of the Directors has a material interest in the Transactions.

The Directors (other than Mr. Wong Chung Mat, Ben), including the Independent Non-executive Directors, consider that the terms of the Transactions were fair and reasonable, and the Transactions were 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 TRANSACTIONS

In view of the current business capacity and 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.

REMEDIAL MEASURES

The Board notes that the Transactions constituted connected transactions for the Company which should have been announced in a timely manner but were unintentionally overlooked by the Company on this occasion until this was discovered by an internal review. The Board recognizes the need to enhance its internal control and compliance measures to avoid any occurrence of non-compliance of the Listing Rules in future. In this respect, the Company has provided improved guidance and written procedures on compliance with the connected transactions requirements for staff members who are charged with the responsibility of reporting connected transactions. Furthermore, a control list of connected persons of the Group will be updated regularly to identify the potential connected transactions at the Company and subsidiaries level. The Company will also arrange additional training to personnel responsible for operation, financial reporting and management level so that these procedures will be consistently followed.

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
“Transactions”	the purchases of equipment and accessories by Wong’s Electronics from WKK Electronic on 26 April 2019 and 28 June 2019 as well as the purchases of equipment and accessories by WEHC from WKK Electronic on 20 September 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)
“Wong’s Electronics”	Wong’s Electronics Company Limited (王氏電子有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

In this announcement, save as otherwise stated, figures in JPY are translated to HK\$ at the exchange rate of JPY1.00 = HK\$0.073 for illustration purposes only.

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

Hong Kong, 15 October 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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