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WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

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 Wong's Holdings, purchased certain equipment and accessories from WKK Electronic, a wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As at the respective dates of the Transactions, the issued share capital of Wong's Holdings was legally and beneficially owned as to 28.6% by Mr. Wong Chung Mat, Ben, 18.84% by Mr. Wong Chung Ah, Johnny and 16.44% by Mr. Wong Chung Yin, Michael. Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael are brothers of Mr. Senta Wong, the Executive Director and substantial shareholder of the Company and of Mr. Wong Chung Yin, Michael, a substantial shareholder of the Company. As both Wong's Electronic and WEHC are majority-controlled companies (as defined under the Listing Rules) of Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael, they are associates of Mr. Senta Wong and Mr. Wong Chung Yin, Michael and are therefore connected persons 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 of 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	JPY 27,360,040 (or approximately HK\$1,997,283)
2. 28 June 2019	Purchases of equipment and accessories by Wong's Electronics from WKK Electronic	JPY 27,360,040 (or approximately HK\$1,997,283)
3. 20 September 2019	Purchases of equipment and accessories by WEHC from WKK Electronic	JPY 68,845,220 (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 the 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 acts as an investment holding company and its subsidiaries are principally engaged in trading and distribution of chemicals, materials and equipment used in the manufacture of printed circuit boards and electronic products and the manufacture of electrical and electronic products for OEM customers.

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

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.

RELATIONSHIP BETWEEN THE GROUP AND THE PARTIES TO THE CONNECTED TRANSACTIONS

As at the respective dates of the Transactions, the issued share capital of Wong's Holdings was legally and beneficially owned as to 28.6% by Mr. Wong Chung Mat, Ben, 18.84% by Mr. Wong Chung Ah, Johnny and 16.44% by Mr. Wong Chung Yin, Michael. Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael are brothers of Mr. Senta Wong, the Executive Director and substantial shareholder of the Company and of Mr. Wong Chung Yin, Michael, a substantial shareholder of the Company. As both Wong's Electronic and WEHC are majority-controlled companies (as defined under the Listing Rules) of Mr. Wong Chung Mat, Ben, Mr. Wong Chung Ah, Johnny and Mr. Wong Chung Yin, Michael, they are associates of Mr. Senta Wong and Mr. Wong Chung Yin, Michael and are therefore connected persons 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. However, they were exempt from independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Other than Mr. Senta Wong, 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. Senta Wong), 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

The Company acts as an investment holding company and its subsidiaries are principally engaged in trading and distribution of chemicals, materials and equipment used in the manufacture of printed circuit boards and electronic products and the manufacture of electrical and electronic products for OEM customers. The Transactions form an integral part of the ordinary and usual course of business of WKK Electronic.

REMEDIAL MEASURES

The Board regrets for failing to announce the Transactions in a timely manner, which was unintentionally overlooked by the Company on this occasion. The Board recognizes the need to enhance its internal control and compliance measures to avoid similar occurrence of non-compliance of the Listing Rules in the future. The Board will implement the following actions and procedures:

1. The Company will provide more training and has arranged additional training in October 2019 on regulatory compliance matters for the Directors and senior management of the Group, in particular, to increase their awareness and knowledge of the Listing rules implications in respect of connected transactions;
2. The Company will provide improved guidance and written procedural manuals on compliance with the connected transactions requirements for staff members who are charged with the responsibility of reporting connected transactions; and
3. The Company will regularly update its register of connected parties of the Group to identify all the connected transactions at the Company and subsidiaries level.

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 of the Company
“Company”	Wong’s Kong King International (Holdings) Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 532)
“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\$0.1 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 Wong’s Holdings
“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 the Company
“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 Wong’s Holdings
“Wong’s Holdings”	Wong’s International Holdings Limited (王氏國際集團有限公司), 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: 99)

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.

By Order of the Board
Wong’s Kong King International (Holdings) Limited
Byron Shu-Chan Ho
Director

Hong Kong, 15 October 2019

As at the date of this announcement, the executive directors of the Company are Mr. Senta Wong, Mr. Edward Ying-Chun Tsui, Mr. Byron Shu-Chan Ho, Mr. Bengie Man-Hang Kwong, Mr. Vinci Wong and Mr. Victor Jui Shum Chang; the non-executive directors are Mr. Hamed Hassan El-Abd and Mr. Hsu Hung Chieh; and the independent non-executive directors of the Company are Mr. Philip Wan-Chung Tse, Dr. Leung Kam Fong, Dr. Yip Wai Chun, Mr. Arnold Hin Lin Tse and Mr. Andrew Yiu Wing Lam.