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WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

CONNECTED TRANSACTIONS

AND

**SUPPLEMENTAL ANNOUNCEMENT FOR PRIOR
CONNECTED TRANSACTIONS**

CONNECTED TRANSACTIONS

On 31 December 2019, WEHC, a wholly-owned subsidiary of Wong's Holdings, agreed to purchase certain equipment and accessories from WKK Electronic, a wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As at the date 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 16.41% 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 WEHC is a majority-controlled company (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 constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios in respect of the Transactions, when aggregated with the Prior Transactions, were less than 5% but the aggregate consideration for the Transactions exceeded HK\$3,000,000, the Transactions constituted connected transactions for the Company subject to the reporting and announcement requirements but were exempt from independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

CONNECTED TRANSACTIONS

WEHC entered into the following connected transactions with WKK Electronic:

Date	Types of transaction	Consideration
1. 31 December 2019	Purchases of equipment and accessories by WEHC from WKK Electronic	JPY79,755,320 (or approximately HK\$5,742,383)
2. 31 December 2019	Purchases of equipment and accessories by WEHC from WKK Electronic	JPY66,600,220 (or approximately HK\$4,795,216)

The aggregate consideration of the Transactions was JPY146,355,540 (or approximately HK\$10,537,599), 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.

Basis of price determination

The consideration for each of the Transactions was determined based on the same wide range of factors which WKK Electronic typically assesses when pricing transactions with its customers. These include: the unit price of the equipment and accessories as quoted by the supplier; installation and commissioning work carried out by WKK Electronic; the level of after sales service including maintenance and application support (which covers product familiarisation and training tailored to the particular customer) to be provided by WKK Electronic; the size and package structure of the relevant order; an acceptable gross margin; the perceived prospect of winning future orders; competitive pressures applicable to individual orders and customers; and the economic environment prevailing at the time of the order.

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.

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

RELATIONSHIP BETWEEN THE GROUP AND THE PARTY TO THE CONNECTED TRANSACTIONS

As at the date 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 16.41% 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 WEHC is a majority-controlled company (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 between themselves and with the Prior Transactions because they are related, within the meaning of the Listing Rules, in being entered into with the same party. As the relevant percentage ratios in respect of the Transactions, when aggregated with the Prior Transactions, were less than 5% but the aggregate consideration for the Transactions exceeded HK\$3,000,000, the Transactions constituted connected transactions for the Company subject to the reporting and announcement requirements. 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 approve 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.

SUPPLEMENTAL INFORMATION IN RELATION TO THE PRIOR TRANSACTIONS

Reference is made to the Prior Announcement. This part of this announcement is supplemental to and should be read in conjunction with the Prior Announcement in so far as the Prior Transactions are concerned.

For completeness, the Company wishes to inform Shareholders that the pricing basis adopted in relation to the Prior Transactions was the same as the pricing basis which applied to the Transactions, as set out in the paragraph above titled “**Basis of price determination**”.

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
“Prior Announcement”	the announcement published by the Company on 15 October 2019 in relation to the Prior Transactions
“Prior Transactions”	connected transactions of the Company conducted on 26 April 2019, 28 June 2019 and 20 September 2019, whereby WKK Electronic sold equipment and accessories to Wong’s Electronics and WEHC as described in the Prior Announcement
“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 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 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\$0.072 for illustration purposes only.

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

Hong Kong, 31 December 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.