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WING ON COMPANY INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

Directors:

Mr. Karl C. Kwok, BBS, MH (Chairman)
Mr. Lester Kwok, J.P.
(Deputy Chairman and Chief Executive Officer)
Dr. Bill Kwok, J.P. (Executive Director)
Mr. Mark Kwok (Executive Director)
Miss Maria Tam Wai Chu, GBM, GBS, J.P.
(Independent Non-executive Director)
Mr. Iain Ferguson Bruce, CA, FCPA, FHKIoD, FHKSI
(Independent Non-executive Director)
Mr. Leung Wing Ning
(Independent Non-executive Director)
Mr. Nicholas James Debnam
(Independent Non-executive Director)

Registered Office:

Victoria Place, 5th Floor,
31 Victoria Street,
Hamilton HM10,
Bermuda.

Principal Office:

7th Floor, Wing On Centre,
211 Des Voeux Road Central,
Hong Kong.

29 April 2021

Dear Shareholders,

GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES AND PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

This document will provide you with information regarding resolutions to be proposed at the annual general meeting (the “Annual General Meeting”) of Wing On Company International Limited (the “Company”) to be held on 3 June 2021 (time and venue as stated in the Notice of Annual General Meeting), as required by the relevant rules set out in the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to regulate the buy-back by companies, with a primary listing on the Stock Exchange, of their own securities on the Stock Exchange (the “Share Buy-back Rules”) and to re-elect the retiring Directors.

I. General mandates to issue shares and to buy back shares

At the annual general meeting of the Company held on 4 June 2020, a general mandate was given to the directors of the Company (the “Directors”) to exercise the powers of the Company to buy back shares of the Company. As at 15 April 2021 (the latest practicable date prior to the printing of this statement), 129,000 shares have been bought back pursuant to this mandate. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting of the Company, unless renewed at that Annual General Meeting. It is therefore proposed to seek your approval of an ordinary resolution

to be proposed at the Annual General Meeting granting the Directors a general mandate to buy back shares representing not more than 10% of the share capital of the Company in issue at the date of passing the resolution (the “Buy-back Mandate”). In accordance with the Share Buy-back Rules, the Company is required to send the shareholders of the Company (the “Shareholders”) an explanatory statement containing information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the buy-back by the Company of its own shares. The explanatory statement is set out in this document.

Ordinary resolutions will also be proposed at the Annual General Meeting (i) to grant the Directors a general mandate to issue and otherwise deal with shares up to a limit equal to 20% of the issued shares of the Company at the date of passing of such resolution and (ii) to approve the addition of such bought back shares (up to a maximum of 10% of the issued shares of the Company at the date of passing of such resolution) to the 20% general mandate (as required by the Listing Rules) at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution.

The ordinary resolutions are set out in full in the notice of Annual General Meeting forming part of the annual report for the year ended 31 December 2020.

Explanatory statement required by the share buy-back rules

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed general mandate for buy back of shares:

The buy-back proposal

As at 15 April 2021 (the latest practicable date prior to the printing of this statement), the issued share capital of the Company comprised 291,872,000 shares of HK\$0.1 each (“Shares”).

Subject to the passing of the ordinary resolutions granting the Directors the Buy-back Mandate on the basis that no further Shares are issued or bought back prior to the Annual General Meeting to be held on 3 June 2021 and ignoring other restrictions, the Company would be allowed under the Buy-back Mandate to buy back up to a maximum of 29,187,200 Shares.

Reasons for buy-backs

The Directors believe that the Buy-back Mandate is in the best interests of the Company and its Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders.

Funding of buy-back

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and the laws of Bermuda. It is envisaged that any Share bought back under the Buy-back Mandate would be bought back out of the capital paid up on the bought back Shares and the distributable surplus of the Company.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 December 2020 and taking into account the financial position of the Company as at the date of this explanatory statement in the event that the proposed share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Disclosure of interests

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules and the laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have a present intention, in the event that the Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make buy-backs of Shares.

If as a result of Share buy-backs, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders, acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at 15 April 2021 (the latest practicable date prior to the printing of this statement), Kee Wai Investment Company (BVI) Limited (together with its associates, Wing On International Holdings Limited and Wing On Corporate Management (BVI) Limited) was interested in 180,545,138 shares (representing approximately 61.858% of the issued shares of the Company). To the best of the knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more of the issued shares of the Company.

In the event that the Directors exercise in full the power to buy back Shares pursuant to the Buy-back Mandate, then (if the present shareholdings otherwise remain unchanged) the attributable shareholding of Kee Wai Investment Company (BVI) Limited would be increased to approximately 68.731% of the issued shares of the Company. Accordingly, such increase would not be expected to give rise to any obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Share buy-back made by the Company

During the six months prior to 15 April 2021 (the latest practicable date prior to the printing of this statement), the Company has bought back a total of 119,000 shares.

Particulars of the buy-back are as follows:

Date of Purchase	Number of Shares Purchased	Highest Price Paid Per Share HK\$	Lowest Price Paid Per Share HK\$
16 December 2020	38,000	16.90	16.90
18 December 2020	34,000	16.88	16.78
21 December 2020	47,000	16.86	16.86

Market prices

The highest and lowest prices at which Shares have been traded on the Stock Exchange in each of the previous twelve months before printing of this statement were as follows:

	Highest Price HK\$	Lowest Price HK\$
2020		
April	19.58	18.88
May	19.52	18.00
June	19.46	17.00
July	18.30	17.04
August	17.78	17.10
September	17.60	17.02
October	17.48	16.60
November	17.50	16.40
December	17.38	16.70
2021		
January	17.40	16.50
February	17.60	16.82
March	17.44	16.10
April (up to 15 April)	17.68	17.00

II. Proposed re-election of the retiring directors

Mr. Karl C. Kwok, Mr. Iain Ferguson Bruce and Mr. Nicholas James Debnam shall retire from the Board at the Annual General Meeting and, being eligible, have offered themselves for re-election. Mr. Karl C. Kwok and Mr. Nicholas James Debnam will be proposed to be re-elected for a fixed term of three years until the 2024 Annual General Meeting. Mr. Iain Ferguson Bruce will be proposed to be re-elected for a fixed term of one year until the 2022 Annual General Meeting.

Set out below are the details of the directors who will be retired from the Board and be eligible for re-election at the Annual General Meeting:

Mr. Karl C. Kwok, aged 72, has been a director of the Company since 14 October 1991 and the Chairman since 1 September 1996. He is also a member of the Remuneration Committee and the Nomination Committee. He was educated at Carleton College, Minnesota and Wharton School, University of Pennsylvania where he obtained an M.B.A. degree. He was an honorary fellow of City University of Hong Kong and The Chinese University of Hong Kong in 2008 and 2017 respectively. He obtained an honorary H.L.D. from Carleton College in 2018. He joined the Group in 1974. He has more than 40 years' management experience in retail, finance and investment business. He was a former president of Hong Kong Sailing Federation and was also a World Sailing Council Member (2012 to 2016). He is a member of the Board of Trustees of Chung Chi College of The Chinese University of Hong Kong, a member of the Board of Trustee of Carleton College, Minnesota, USA, vice president of the Sports Federation & Olympic Committee of Hong Kong, China, a director of Hong Kong Sports Institute, Chairman of Major Sports Events Committee (ex-officio member of Sports Commission) and a member of the Harbourfront Commission of the Hong Kong Government. He is currently an Independent Non-executive Director of Tai Cheung Holdings Limited which is listed on The Stock Exchange of Hong Kong Limited. He is the Chairman of Wing On International Holdings Limited and also a director of Wing On Corporate Management (BVI) Limited and Kee Wai Investment Company (BVI) Limited.

Mr. Kwok is a brother of Mr. Lester Kwok, Dr. Bill Kwok and Mr. Mark Kwok. As at 15 April 2021 (the latest practicable date prior to the printing of this document), Mr. Kwok is taken to be interested in 480,620 shares in the Company (representing 0.165% of the issued shares of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He is also taken to be interested in 14,250 shares (25%) in Kee Wai Investment Company (BVI) Limited (a substantial shareholder of the Company) and 324 shares (0.017%) in The Wing On Fire & Marine (2011) Limited (an associated corporation of the Company). Mr. Kwok will be proposed to be re-elected for a term of three years until the 2024 Annual General Meeting. The director's fee payable to him shall be recommended by the Remuneration Committee with approval by the Board and shall be subject to Shareholders' approval in annual general meeting. There is an employment contract entered into between the Company and Mr. Kwok. He shall receive annual basic salary of HK\$6,064,600 in 2021 plus discretionary bonus based on the performance of the Group and to be approved by the Remuneration Committee. He is also a director of a number of the Group's subsidiaries. For the year ended 31 December 2020, he received from the Company director's fee of HK\$248,000 and an allowance of HK\$125,000 for serving as a member of the Remuneration Committee, and an allowance of HK\$77,000 for serving as a member of the Nomination Committee, and other emoluments of HK\$10,394,000.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there are no other information that need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Iain Ferguson Bruce, aged 80, has been an Independent Non-executive Director of the Company since 1 September 2002. He is also the Chairman of the Audit Committee. He is a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants with over 50 years of international experience in accounting and consulting. He is also a fellow of The Hong Kong Institute of Directors and the Hong Kong Securities and Investment Institute. He was the Senior Partner of KPMG from 1991 until his retirement in 1996 and served as Chairman of KPMG Asia Pacific from 1993 to 1997. He is currently an Independent Non-executive Director of Goodbaby International Holdings Limited, South Shore Holdings Limited (formerly known as The 13 Holdings Limited) and Tencent Holdings Limited, all are listed on The Stock Exchange of Hong Kong Limited. He was also an Independent director of Yingli Green Energy Holding Company Limited, a company whose shares are traded on the New York Stock Exchange, and resigned from that company's board on 6 March 2020.

Mr. Bruce is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at 15 April 2021 (the latest practicable date prior to the printing of this document), he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Bruce will be proposed to be re-elected for a term of one year until the 2022 Annual General Meeting. The director's fee payable to him shall be recommended by the Remuneration Committee with approval by the Board and shall be subject to Shareholders' approval in annual general meeting. There is no service contract entered into between the Company and Mr. Bruce. He shall also receive an allowance, which will be determined with reference to his duties and responsibilities, for serving as the Chairman of the Audit Committee. For the year ended 31 December 2020, he received from the Company HK\$248,000 as director's fee and an allowance of HK\$189,000 for serving as the Chairman of the Audit Committee.

Mr. Bruce has been serving the Board for more than 9 years. Based on the way that Mr. Bruce performs his duties and valuable advice that he gives, the Board believes he remains independent and should be re-elected.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there are no other information that need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Nicholas James Debnam, aged 56, has been an Independent Non-executive Director of the Company since 3 April 2018. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He has a degree in Physics from Imperial College, London. He qualified as a Chartered Accountant in the United Kingdom. He was an audit partner with KPMG for 20 years, from 1997 until his retirement in March 2017. Prior to his retirement, in addition to his role as an audit partner, he also led the Consumer Markets practice for KPMG in Asia. Mr. Debnam is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants of England and Wales. Mr Debnam has not held any directorship in any listed public companies, whether in Hong Kong or overseas, in the last three years.

Mr. Debnam is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at 15 April 2021 (the latest practicable date prior to the printing of this document), he is interested in 15,000 shares in the Company (representing 0.005% of the issued shares of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Debnam will be proposed to be re-elected for a term of three years until the 2024 Annual General Meeting. The director's fee payable to him shall be recommended by the Remuneration Committee with approval by the Board and shall be subject to Shareholders' approval in annual general meeting. There is no service contract entered into between the Company and Mr. Debnam. He shall also receive an allowance, which will be determined with reference to his duties and responsibilities, for serving as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. For the year ended 31 December 2020, he received from the Company HK\$248,000 as director's fee, an allowance of HK\$141,000 for serving as a member of the Audit Committee, an allowance of HK\$125,000 for serving as a member of the Remuneration Committee and an allowance of HK\$77,000 for serving as a member of the Nomination Committee.

Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there are no other information that need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the proxy form and return it to the Share Registrar of the Company, Tricor Progressive Limited, at level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the Annual General Meeting. The Directors believe that the resolutions set out in the notice of the Annual General Meeting are in the interests of the Company and its Shareholders and recommend you to vote in favour of such resolutions at the Annual General Meeting.

Yours faithfully,
Karl C. Kwok
Chairman