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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)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

The Board wishes to announce that on 24 December 2018, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the Consideration of HK\$238,082,000. Pursuant to the terms of the Provisional Sale and Purchase Agreement, the Vendor and the Purchaser will enter into a formal agreement for sale and purchase of the Property on or before 31 January 2019. Completion is scheduled to take place on or before 15 April 2019.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 24 December 2018, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the Consideration of HK\$238,082,000.

PRINCIPAL TERMS OF THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date

24 December 2018

Parties

- (1) Vendor: Easywise Limited, a wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability
- (2) Purchaser: Industrial Bank Co., Ltd., a licensed bank established in the People's Republic of China
- (3) Agent: Jones Lang Lasalle Limited, a third party acting as estate agent for both the Vendor and the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Assets to be disposed of

The Property is office premises located at Unit Nos. 1 to 3, 6/F, One Harbour Square, No. 181 Hoi Bun Road, Kowloon, Hong Kong.

Unit No. 1 of the Property is held by the Vendor as an investment property and Unit Nos. 2 and 3 of the Property are held by the Vendor as stock of completed properties. All Units are currently occupied and will be sold under the Disposal subject to tenancies or licence.

The book value of the Property was approximately HK\$214,456,000 as at 30 June 2018. For the two financial years ended 31 December 2017 and 2016 immediately preceding the Disposal, the net profit/(loss) attributable to the Property (including change in fair value of investment properties) are as follows:

	For the year ended	
	31 December	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit/(loss) before taxation	1,155	(352)
Net profit/(loss) after taxation	1,155	(352)

Consideration and payment terms

The Consideration of HK\$238,082,000 has been paid or shall be payable (as the case may be) by the Purchaser to the Vendor in the following manner:

- (1) an initial deposit of HK\$11,904,100 has been paid upon signing of the Provisional Sale and Purchase Agreement;
- (2) a further deposit of HK\$11,904,100 shall be paid upon the formal agreement for sale and purchase in respect of the Property will be signed; and
- (3) the balance of the Consideration of HK\$214,273,800 shall be paid upon Completion on or before 15 April 2019.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms after taking into account various factors, including the market prices of comparable properties of a similar size, character and location as the Property. The Board is of the view that the Consideration is in line with market values and recent transaction records of comparable properties.

Completion

According to the Provisional Sale and Purchase Agreement, Completion shall take place on or before 15 April 2019.

INFORMATION OF THE PARTIES

The Purchaser is a licensed bank established in the People's Republic of China. The principal activities of its Hong Kong branch include the provision of corporate banking, financial markets and private banking businesses.

The Company is a holding company. The principal activities of its subsidiaries are the development, manufacture, marketing and distribution of electronic products (including micro-computers, telecommunication equipment, broadband communication products, internet appliances, wireless communication or networking equipment and other electronic products) as well as property holding. The Vendor is a wholly-owned subsidiary of the Company which is principally engaged in property holding.

REASONS FOR AND FINANCIAL EFFECT OF THE DISPOSAL

In view of the current property market conditions, the Board considers that it is a good opportunity to dispose the Property. The Directors are of the view that the terms of the Provisional Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

It is estimated that upon Completion, the net gain before taxation arising from the Disposal is expected to be approximately HK\$19,426,000, being the difference between the Consideration receivable of HK\$238,082,000 from the Disposal, and the book value of the Property of approximately HK\$214,456,000 as at 30 June 2018 and other related costs and expenses of approximately HK\$4,200,000.

The Board intends to use the net proceeds arising from the Disposal of approximately HK\$233,882,000 (subject to deduction of any amount to be repaid for redeeming the mortgage of the Property on or before Completion) for general working capital, loan repayment and other business opportunities through strategic investments.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agent”	Jones Lang Lasalle Limited, a third party acting as estate agent for both the Vendor and the Purchaser;
“Board”	the board of Directors;
“Company”	Wong’s International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 99);
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Provisional Sale and Purchase Agreement;
“Consideration”	HK\$238,082,000, being the aggregate consideration of the Disposal;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser in accordance with the terms and conditions of the Provisional Sale and Purchase Agreement;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	office premises located at Unit Nos. 1 to 3, 6/F, One Harbour Square, No. 181 Hoi Bun Road, Kowloon, Hong Kong;
“Provisional Sale and Purchase Agreement”	the provisional agreement for sale and purchase dated 24 December 2018 entered into between the Vendor, the Purchaser and the Agent, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the Consideration;
“Purchaser”	Industrial Bank Co., Ltd., a licensed bank established in the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Vendor” Easywise Limited, a wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability;

“%” per cent.

By Order of the Board
WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

Hong Kong, 24 December 2018

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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