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PROFIT ASCENT LIMITED

(Incorporated in the British Virgin Islands with limited liability)

WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 532)

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED BY PROFIT ASCENT LIMITED BY WAY OF A SCHEME OF ARRANGEMENT AND WITHDRAWAL OF LISTING

Financial Adviser to Profit Ascent Limited

**Standard
Chartered**
渣打銀行



Standard Chartered Bank (Hong Kong) Limited

The Directors wish to announce that on 2 August 2006, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of the Company by way of a scheme of arrangement under Section 99 of the Companies Act. The Offeror is wholly and beneficially owned by Mr. Senta Wong, who is an executive director, the chief executive officer and the chairman of the Company.

The Offeror proposes that the Scheme Shares will be cancelled in exchange for HK\$1.38 in cash for each Scheme Share. The Cancellation Price represents (a) a premium of approximately 21.05% over the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on 31 July 2006 (being the last full trading day in the Shares prior to the suspension of trading in the Shares pending the issue of this announcement); (b) a premium of approximately 33.98% over the average closing price of approximately HK\$1.03 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including 31 July 2006; and (c) a premium of approximately 15.00% to the audited consolidated net asset value per Share of approximately HK\$1.20 as at 31 December 2005.

The Proposal is conditional upon the fulfilment or waiver, as applicable, of the conditions as described in the section headed "Conditions of the Proposal" below. All of the conditions will have to be fulfilled or waived, as applicable, on or before 20 December 2006 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Supreme Court of Bermuda may direct), failing which the Scheme will lapse.

As at the Latest Practicable Date, the Scheme Shareholders were interested in 226,915,078 Shares, representing approximately 32.69% of the issued share capital of the Company. In addition, as at the Latest Practicable Date, there are 63,808,000 outstanding Options granted under the Share Option Scheme, of which 14,945,500 Options have been vested and 48,862,500 Options remain unvested. The Offeror will make an offer for all outstanding Options (except the Options held by Mr. Senta Wong), vested or unvested, in accordance with the Takeovers Code. The offer price per Option will be (a) HK\$0.82 for each Qualifying Vested Option with an exercise price of HK\$0.56; (b) HK\$0.79 for each Qualifying Vested Option with an exercise price of HK\$0.59; and (c) HK\$0.001 for each Qualifying Unvested Option.

Under the Scheme, the total consideration payable for the Scheme Shares will be payable by the Offeror. The amount of cash required for the Proposal will be between approximately HK\$324.62 million and approximately HK\$332.43 million. The Offeror intends to finance the cash required for the Proposal from bank borrowings and funding from Mr. Senta Wong. Standard Chartered, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the implementation of the Proposal.

The listing of the Shares on the Stock Exchange will be withdrawn following the effective date of the Scheme.

A scheme document of the Company containing, *inter alia*, further details of the Proposal and the Scheme, the expected timetable, an explanatory memorandum as required under the Companies Act, further information regarding the Company, the recommendation of the independent board committee of the Company with respect to the Proposal and the Scheme, a letter of advice from the independent financial adviser to the independent board committee of the Company, a notice of the Court Meeting and a notice of the Special General Meeting, together with proxies in relation thereto, will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:48 a.m. on 1 August 2006, pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 7 August 2006.

Shareholders of the Company and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the conditions as set out below being fulfilled or waived, as applicable, and thus the Proposal and the Scheme may or may not become effective. They should therefore exercise caution when dealing in the Shares.

INTRODUCTION

The Directors wish to announce that on 2 August 2006, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of the Company by way of a scheme of arrangement under Section 99 of the Companies Act. The Offeror is wholly and beneficially owned by Mr. Senta Wong, who is an executive director, the chief executive officer and the chairman of the Company.

TERMS OF THE PROPOSAL

The Offeror proposes that the Scheme Shares will be cancelled in exchange for HK\$1.38 in cash for each Scheme Share.

Under the Scheme as proposed:

- (1) The entire issued share capital of the Company shall be reduced by cancellation of the Scheme Shares.
- (2) Subject to and forthwith upon the said reduction of capital taking effect, the entire issued share capital of the Company shall be increased to its former amount by the creation of such number of new Shares as is equal to the number of the Scheme Shares.
- (3) Upon the Scheme becoming effective, the Company shall apply the reserve which arises in its books of account as a result of the said reduction of capital in paying up in full at par all the new Shares as created under paragraph (2) above which shall be allotted to the Offeror or its nominees, credited as fully paid.

The Cancellation Price of HK\$1.38 per Scheme Share represents:

- (a) a premium of approximately 21.05% over the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on 31 July 2006 (being the last full trading day in the Shares prior to the suspension of trading in the Shares pending the issue of this announcement);
- (b) a premium of approximately 33.98% over the average closing price of approximately HK\$1.03 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including 31 July 2006;
- (c) a premium of approximately 36.63% over the average closing price of approximately HK\$1.01 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including 31 July 2006;
- (d) a premium of approximately 48.39% over the average closing price of approximately HK\$0.93 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including 31 July 2006;
- (e) a premium of approximately 76.92% over the average closing price of approximately HK\$0.78 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including 31 July 2006; and
- (f) a premium of approximately 15.00% to the audited consolidated net asset value per Share of approximately HK\$1.20 as at 31 December 2005.

As at the Latest Practicable Date, the Scheme Shareholders were interested in 226,915,078 Shares, representing approximately 32.69% of the issued share capital of the Company. In addition, as at the Latest Practicable Date, there are 63,808,000 outstanding Options granted under the Share Option Scheme, of which 14,945,500 Options have been vested and 48,862,500 Options remain unvested. The holdings of the outstanding Options are summarized as follows:

	Number of vested Options held	Number of unvested Options held	Total number of Options held
Mr. Senta Wong	1,000,000	3,000,000	4,000,000
Accepting Directors	4,100,000	12,300,000	16,400,000
Other employees	9,845,500	33,562,500	43,408,000
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Total	<u>14,945,500</u>	<u>48,862,500</u>	<u>63,808,000</u>

Pursuant to the rules of the Share Option Scheme, if the Proposal is made, holders of the outstanding Options shall be entitled to exercise such Options (to the extent that such Options have been vested and have not lapsed or been cancelled) and all unvested and unexercised Options will lapse upon the Scheme becoming effective. The Offeror will make an offer for all outstanding Options (except the Options held by Mr. Senta Wong), vested or unvested, in accordance with the Takeovers Code. The offer price per Option will be (a) HK\$0.82 for each Qualifying Vested Option with an exercise price of HK\$0.56; (b) HK\$0.79 for each Qualifying Vested Option with an exercise price of HK\$0.59; and (c) HK\$0.001 for each Qualifying Unvested Option.

Mr. Senta Wong has indicated to the Company that he proposes to exercise the 1,000,000 vested Options held by him prior to the completion of the Scheme. All unvested Options held by Mr. Senta Wong will lapse upon the Scheme becoming effective.

Apart from the Shares in issue and the Options granted as at the Announcement Date, the Company does not have any warrants, options, derivatives, convertible securities or other securities in issue.

On the basis of the Cancellation Price, which was arrived at on a commercial basis after taking into account the prevailing market price and the net asset value per Share as described above and with reference to other privatisation transactions in the past few years, the Proposal values the entire issued share capital of the Company as at the Latest Practicable Date at approximately HK\$957.90 million.

Under the Scheme, the total consideration payable for the Scheme Shares will be payable by the Offeror. The amount of cash required for the Proposal will be between (a) approximately HK\$324.62 million (including HK\$313.14 million payable for the Scheme Shares, HK\$11.43 million payable for the Qualifying Vested Options and HK\$0.05 million payable for the Qualifying Unvested Options) assuming no Qualifying Vested Option is exercised after the Latest Practicable Date but before completion of the Proposal; and (b) approximately HK\$332.43 million (including HK\$332.39 million payable for the Scheme Shares and HK\$0.05 million payable for the Qualifying Unvested Options) assuming all the Qualifying Vested Options are exercised after the Latest Practicable Date but before completion of the Proposal. The Offeror intends to finance the cash required for the Proposal from bank borrowings and funding from Mr. Senta Wong. Standard Chartered, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the implementation of the Proposal.

CONDITIONS OF THE PROPOSAL

The Scheme will become effective and binding on the Company and all Shareholders subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of those Shares that are voted either in person or by proxy by the Scheme Shareholders at the Court Meeting provided that the Scheme is also approved (by way of poll) by a majority in number of the Independent Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of those Shares that are voted either in person or by proxy by the Independent Shareholders at the Court Meeting and that the Scheme is not disapproved (by way of poll) by Independent Shareholders at the Court Meeting holding more than 10% in value of all the Shares held by the Independent Shareholders;
- (b) the passing of a special resolution to approve and give effect to the Scheme (including the reduction of the share capital of the Company) by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at a general meeting of the Company;
- (c) the Supreme Court's sanction of the Scheme (with or without modifications) and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Supreme Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements of Section 46 of the Companies Act in relation to the reduction of the issued share capital of the Company;
- (e) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in Bermuda and/or Hong Kong and/or any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (g) all necessary consents which may be required under any existing contractual obligations of the Company being obtained; and
- (h) if required, the obtaining by the Offeror of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under the applicable laws and regulations.

The Offeror reserves the right to waive conditions (e), (f), (g) and (h) either in whole or in part in respect of any particular matter. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 20 December 2006 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Supreme Court may direct), failing which the Scheme will lapse.

Warning:

Shareholders of the Company and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the conditions as set out above being fulfilled or waived, as applicable, and thus the Proposal and the Scheme may or may not become effective. They should therefore exercise caution when dealing in the Shares.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal (assuming no Qualifying Vested Option is exercised after the Latest Practicable Date but before completion of the Proposal):

Shareholders	As at the Latest Practicable Date		Upon completion of the Proposal (note 13)	
	Number of Shares	%	Number of Shares	%
The Offeror				
Profit Ascent Limited	–	–	226,915,078	32.64
Parties acting in concert with the Offeror				
Greatfamily Inc. (notes 1 and 2)	207,800,000	29.94	–	–
Rewarding Limited (note 2)	–	–	207,800,000	29.89
Senta Wong (BVI) Limited (notes 3 and 4)	122,012,723	17.58	–	–
Wonder Luck International Limited (note 4)	–	–	122,012,723	17.55
Mr. Senta Wong (note 13)	–	–	1,000,000	0.14
Ms. Wong Wu Lai Ming (note 5)	1,578,000	0.23	1,578,000	0.23
Pacific Way Limited (note 6)	33,583,919	4.84	33,583,919	4.83
Floral Inc. (note 7)	26,190,549	3.77	26,190,549	3.77
Kong King International Ltd. (note 8)	23,613,332	3.40	23,613,332	3.40
Levy Investment Ltd. (note 6)	23,613,332	3.40	23,613,332	3.40
Sycamore Assets Limited (note 9)	20,876,403	3.01	20,876,403	3.00
Bugle Limited (note 10)	5,080,628	0.73	5,080,628	0.73
Shanghai Holdings Limited (note 11)	2,870,000	0.41	2,870,000	0.41
Accepting Directors	10,687,920	1.54	–	–
Standard Chartered (note 12)	32,737	0.00	–	–
Sub-total of the Offeror and parties acting in concert with it	477,939,543	68.85	695,133,964	100.00
Others				
Independent Shareholders	216,194,421	31.15	–	–
Total	<u>694,133,964</u>	<u>100.00</u>	<u>695,133,964</u>	<u>100.00</u>

Notes:

1. Greatfamily Inc. is owned by a discretionary trust established for the benefit of the family of Mr. Senta Wong.
2. Rewarding Limited is a wholly owned subsidiary of Greatfamily Inc. Shortly after the Announcement Date it is expected that Greatfamily Inc will transfer the 207,800,000 Shares it holds to Rewarding Limited.
3. Senta Wong (BVI) Limited is wholly owned by Senta Wong.

4. Wonder Luck International Limited is a wholly owned subsidiary of Senta Wong (BVI) Limited. Shortly after the Announcement Date it is expected that Senta Wong (BVI) Limited will transfer the 122,012,723 Shares it holds to Wonder Luck International Limited.
5. Ms. Wong Wu Lai Ming is the wife of Mr. Senta Wong.
6. Pacific Way Limited and Levy Investment Ltd. are ultimately owned by a discretionary trust established for the benefit of the family of Mr. Michael Wong Chung Yin, brother of Mr. Senta Wong.
7. Floral Inc. is a company owned by a discretionary trust established for the benefit of Ms. Wong Chung Yan Claudia, sister of Mr. Senta Wong.
8. Kong King International Ltd. is a company ultimately owned by a discretionary trust established for the benefit of the family of Mr. Johnny Wong Chung Ah, brother of Mr. Senta Wong.
9. Sycamore Assets Limited is a company owned by Mrs Chung Chui Everitt, sister of Mr. Senta Wong.
10. Bugle Limited is a company owned by a discretionary trust established for the benefit of certain members of the Wong family and certain charitable objects in Hong Kong.
11. Shanghai Holdings Limited is a company controlled by the Wong family's trust.
12. Standard Chartered is the financial adviser to the Offeror and is therefore presumed to be a party acting in concert with the Offeror under the Takeovers Code.
13. The total number of Shares upon completion of the proposal is based on the assumptions that: (a) no Qualifying Vested Option is exercised after the Latest Practicable Date but before completion of the Proposal; (b) Mr. Senta Wong will exercise the 1,000,000 vested Options held by him before completion of the Proposal; and (c) all Qualifying Vested Options and Qualifying Unvested Options are tendered to the Offeror under the proposed option offer and cancelled upon completion of the Proposal.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The trading volume of the Shares has been thin, resulting in the low liquidity of the Shares. The average daily trading volume for the 6 months up to and including 31 July 2006 (being the last full trading day in the Shares prior to the suspension of trading in the Shares pending the issue of this announcement) was approximately 910,941 Shares which is equivalent to approximately 0.26% of the number of Shares held in public hands (as defined in Rule 8.24 of the Listing Rules).

Given the low liquidity of the Shares traded on the Stock Exchange, the Directors are of the opinion that there is currently limited exit potential for the Scheme Shareholders. Also, the ability of the Company to take advantage of its listing status to raise funds from the equity markets might be limited and any significant improvement in this regard in the foreseeable future is unlikely. It would not be justifiable to maintain the listing status after taking into consideration the costs and management resources associated with the maintenance of the Company's listing on the main board of the Stock Exchange.

Since Mr. Senta Wong and his associated interests (including interests held by Ms. Wong Wu Lai Ming, Greatfamily Inc. and Senta Wong (BVI) Limited) already own approximately 47.74% of the Company as at the Latest Practicable Date, the Directors believe that it is unlikely that the Scheme Shareholders will receive any other general offer from a third party to acquire the Scheme Shares, as such offer would not succeed without the approval of Mr. Senta Wong. In addition, Shareholders should note that no discussions have taken place (or are taking place) with any third party regarding the disposal of any of the Shares held by or associated with Mr. Senta Wong and Mr. Senta Wong has no intention of discontinuing the Company's businesses.

As the Cancellation Price represents a premium of approximately 33.98%, approximately 36.63%, approximately 48.39% and approximately 76.92% over the 10-day, 30-day, 60-day and 180-day approximate average closing price per Share as detailed above in this announcement, the Directors believe that the Proposal will provide an opportunity for all Scheme Shareholders to realise their investments in the Company at a price significantly above the prevailing market price of the Shares.

INTENTIONS REGARDING THE COMPANY

It is the intention of the Offeror to continue the business of the Company upon successful privatization of the Company. The Offeror does not have any current intention to introduce any major changes to the existing operating and management structure of the Company, or to discontinue the employment of any employees.

INFORMATION ON THE COMPANY

The Company is incorporated in Bermuda with limited liability. The principal business activities of the Group are the 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.

A summary of the audited consolidated results of the Company for the two financial years ended 31 December 2004 and 31 December 2005 is set out below:

	For the year ended	
	31 December 2005	31 December 2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	4,641,372	4,279,844
Profit from operations	254,130	202,882
Profit before taxation	235,483	164,128
Profit after taxation (but before minority interests)	199,718	134,697
Profit attributable to Shareholders	180,609	122,519

As at 31 December 2005, the audited consolidated net assets of the Company were approximately HK\$832.2 million or approximately HK\$1.20 per Share.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Senta Wong. Mr. Senta Wong is also the sole director of the Offeror. As at the Announcement Date, the Offeror does not hold any Shares.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the effective date of the Scheme. The Scheme Shareholders will be notified by way of a press announcement of the exact dates of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the scheme document, which will also contain, *inter alia*, further details of the Scheme.

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or lapses.

OVERSEAS SHAREHOLDERS

The making of the Proposal to Shareholders not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders should inform themselves appropriately and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

MEETINGS AND SCHEME SHARES

Under the Takeovers Code, Mr. Senta Wong, Ms. Wong Wu Lai Ming, Greatfamily Inc., Rewarding Limited, Senta Wong (BVI) Limited, Wonder Luck International Limited, Pacific Way Limited, Floral Inc., Kong King International Ltd., Levy Investment Ltd., Sycamore Assets Limited, Bugle Limited, Shanghai Holdings Limited and the Accepting Directors are presumed to be parties acting in concert with the Offeror.

Standard Chartered and other members of its group are presumed to be acting in concert with the Offeror under the Takeovers Code. As at the Latest Practicable Date, Standard Chartered and other members of its group were interested in 32,737 Shares.

As at the Latest Practicable Date, the Offeror does not hold any Shares but parties acting in concert with him hold 477,939,543 Shares representing approximately 68.85% of the issued share capital of the Company. Such Shares (save for the Shares held by the Accepting Directors and Standard Chartered) will not form part of the Scheme Shares. The Offeror and all parties acting in concert with it will be required to abstain from voting on the Scheme at the Court Meeting of the Company to approve and give effect to the Scheme.

The Offeror and the parties acting in concert with it has indicated that if the Scheme is approved at the Court Meeting, those Shares held or controlled by them will be voted in favour of the special resolution to be proposed at the Special General Meeting to approve the relevant reduction of the share capital of the Company.

DEALINGS IN SECURITIES IN THE COMPANY

The Offeror, Rewarding Limited, Wonder Luck International Limited, Greatfamily Inc. and Standard Chartered had no dealing in the securities of the Company during the six months immediately prior to the Announcement Date. Save for the dealings of Ms. Wong Wu Lai Ming and Senta Wong (BVI) Limited disclosed below which were attributed to Mr. Senta Wong under Part XV of the SFO, Mr. Senta Wong had no other dealing in the securities of the Company during the six months immediately prior to the Announcement Date

The following table sets out the dealings in the securities of the Company by Ms. Wong Wu Lai Ming, Senta Wong (BVI) Limited and the Accepting Directors during the six months immediately prior to the Announcement Date:

(a) Disposal of Shares by Ms. Wong Wu Lai Ming

Date	No. of Shares sold	Price per Share (HK\$)
20 April 2006	208,000	0.98
21 April 2006	100,000	0.98
Total	308,000	

(b) Purchases of Shares by Senta Wong (BVI) Limited

Date	No. of Shares purchased	Price per Share (HK\$)
2 February 2006	250,000	0.68
3 February 2006	150,000	0.68
6 February 2006	200,000	0.68
8 February 2006	16,000	0.69
9 February 2006	94,000	0.69
9 February 2006	350,000	0.70
10 February 2006	100,000	0.69
13 February 2006	300,000	0.69
14 February 2006	120,000	0.69
14 February 2006	500,000	0.70
15 February 2006	500,000	0.70
16 February 2006	150,000	0.70
20 February 2006	74,000	0.70
10 March 2006	200,000	0.73
13 March 2006	344,000	0.73
14 March 2006	200,000	0.73
20 April 2006	500,000	0.97
20 April 2006	600,000	0.98
20 April 2006	400,000	0.99
Total	5,048,000	

(c) Purchases of Shares by the Accepting Directors

Accepting Director	Date	No. of Shares purchased	Price per Share (HK\$)
Edward Ying-Chun Tsui	9 May 2006	246,000	0.89
	10 May 2006	88,000	0.89
	11 May 2006	158,000	0.89
	12 May 2006	300,000	0.89
	16 May 2006	80,000	0.85
Byron Shu-Chan Ho	12 May 2006	62,000	0.89
Total		934,000	

The Company is enquiring into the dealings in the securities of the Company by Pacific Way Limited, Floral Inc., Kong King International Ltd., Levy Investment Ltd., Sycamore Assets Limited, Bugle Limited and Shanghai Holdings Limited during the six months immediately prior to the Announcement Date. The Company will make a further announcement as soon as the information is ascertained from the relevant parties.

The Company and the Offeror would like to remind their respective associates to disclose their dealings in any securities of the Company.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:48 a.m. on 1 August 2006, pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 7 August 2006.

GENERAL

The Offeror has appointed Standard Chartered as its financial adviser in connection with the Proposal. An independent board committee of the Company will be established to advise the Independent Shareholders in connection with the Proposal. An independent financial adviser will be appointed to advise the independent board committee of the Company in connection with the Proposal and the Scheme. An announcement will be made by the Company after the appointment of the independent financial adviser to advise its independent board committee.

A scheme document of the Company containing, *inter alia*, further details of the Proposal and the Scheme, the expected timetable, an explanatory memorandum as required under the Companies Act, further information regarding the Company, the recommendation of the independent board committee of the Company with respect to the Proposal and the Scheme, a letter of advice from the independent financial adviser to the independent board committee of the Company, a notice of the Court Meeting and a notice of the Special General Meeting, together with proxies in relation thereto, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Accepting Directors”	all Directors except Mr. Senta Wong
“Announcement Date”	the date of this announcement
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$1.38 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders
“Companies Act”	the Companies Act 1981 of Bermuda

“Company”	Wong’s Kong King International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Supreme Court at which the Scheme will be voted upon
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Supreme Court”	Supreme Court of Bermuda
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 July 2006, being the Latest Practicable date for obtaining certain information contained in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with the Offeror
“Offeror”	Profit Ascent Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Senta Wong
“Option”	an option to subscribe for one Share, granted pursuant to the Share Option Scheme
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme
“Qualifying Vested Options”	all outstanding and vested Options, excluding the 1,000,000 outstanding and vested Options which are held by Mr. Senta Wong
“Qualifying Unvested Options”	all outstanding and unvested Options, excluding the 3,000,000 outstanding and unvested Options which are held by Mr. Senta Wong
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares
“Scheme Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with the Offeror but including the Accepting Directors and Standard Chartered

“Scheme Share(s)”	Share(s) held by the Scheme Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	registered holders of Shares
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted in the annual general meeting of the Company on 30 May 2005
“Special General Meeting”	the special general meeting of the Company to be held to consider and approve, amongst other matters, the Proposal or any adjournment thereof
“Standard Chartered”	Standard Chartered Bank (Hong Kong) Limited, the financial adviser to the Offeror. Standard Chartered is registered as a registered institution with the Securities and Futures Commission to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and is a licensed bank under the Banking Ordinance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities

By Order of the Board of
Profit Ascent Limited
Senta Wong
Director

By Order of the Board of
Wong’s Kong King International (Holdings) Limited
Lam Ka Mei
Company Secretary

Hong Kong, 4 August 2006

As at the date of this announcement, the executive directors of the Company are Messrs. Senta Wong, Edward Ying-Chun Tsui, Byron Shu-Chan Ho, Bengie Man-Hang Kwong and Hamed Hassan EL-ABD and the independent non-executive directors are Messrs. Peter Chung-Yin Lee, John Ho, Philip Wan-Chung Tse and Gene Howard Weiner.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that relating to the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to the Offeror) misleading.

Mr. Senta Wong, the sole director of the Offeror accepts full responsibility for the accuracy of the information relating to the Offeror contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement relating to the Offeror have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement relating to the Offeror in this announcement misleading.

Reminder – Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules under the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Securities and Futures Commission in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

“Please also refer to the published version of this announcement in the South China Morning Post”