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# WKK

**WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock code: 532)**

## ANNOUNCEMENT

### **VERY SUBSTANTIAL DISPOSAL, CONNECTED TRANSACTION, PROPOSED DISTRIBUTION AND VOLUNTARY WITHDRAWAL OF LISTING**

The Board wishes to announce that on 11 April 2007, the Company received an offer letter from the Purchaser offering to purchase substantially all the operating businesses and assets of the Group for a consideration of HK\$1,169,698,141. It is a condition precedent to completion of the Transfer that an internal group reorganization be implemented so that the Target Assets are injected into a special purpose vehicle, and the Transfer will be effected through the acquisition of the entire issued share capital of such special purpose vehicle.

Mr. Senta Wong has a controlling interest in the Purchaser. Mr. Senta Wong is also a substantial shareholder and director of the Company. In addition, the Transfer will result in the percentage ratios as defined in Chapter 14 of the Listing Rules exceeding 75%. Accordingly, the Transfer will constitute a connected transaction and very substantial disposal of the Company, and is subject to the disclosure, reporting and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

If the Offer is accepted by the Company, the Board proposes to declare a distribution in favour of the Shareholders of the entire amount of the sale proceeds received as a result of completing the Transfer. This will result in the Independent Shareholders receiving HK\$1.65 per Share in cash pursuant to the Proposed Distribution.

Following completion of the Transfer and the Proposed Distribution, the Board proposes that the listing of the Shares on the Stock Exchange be withdrawn.

The Stock Exchange has requested the Company to apply the voting standard imposed by Rule 6.12 of the Listing Rules to all Proposals. To comply with Rule 6.12 of the Listing Rules, the Board proposes to submit all Proposals for Shareholders' approval in a combined resolution and will apply the Required Voting Standard to such resolution.

An SGM is proposed to be convened to consider, among other things, the Proposals. A circular will be sent to the Shareholders containing, among other things, further details of the Proposals, the expected timetable, the recommendations of the Independent Board Committee in relation to the Proposals, a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Proposals and a notice of the SGM.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 19 March 2007 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 April 2007 on the Stock Exchange.

**Shareholders and potential investors should be aware that implementation of the Proposals are subject to the relevant conditions applicable to them being fulfilled and thus the Proposals may or may not become effective. For this reason, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## 1. INTRODUCTION

The Board wishes to announce that on 11 April 2007, the Company received an offer letter from the Purchaser offering to purchase substantially all the operating businesses and assets of the Group for a consideration of HK\$1,169,698,141. It is a condition precedent to completion of the Transfer that an internal group reorganization be implemented so that the Target Assets are injected into a special purpose vehicle, and the Transfer will be effected through the acquisition of the entire issued share capital of such special purpose vehicle.

If the Offer is accepted by the Company, the Board proposes to declare a distribution in favour of the Shareholders of the entire amount of the sale proceeds received as a result of completing the Transfer. This will result in the Independent Shareholders receiving HK\$1.65 per Share in cash pursuant to the Proposed Distribution.

Following completion of the Transfer and the Proposed Distribution, the Board proposes that the listing of the Shares on the Stock Exchange be withdrawn.

## 2. TERMS OF THE OFFER

### 2.1 Parties

- (a) Vendor: the Company
- (b) Purchaser: the Purchaser

### 2.2 Consideration

The Consideration for the Transfer offered by the Purchaser under the Offer Letter amounts to HK\$1,169,698,141 to be settled partly in cash as to HK\$383,213,335 and partly by the issue of the Promissory Note in the principal amount of HK\$786,484,806 by the Purchaser to the Company.

The Promissory Note will be repayable on demand made by not less than 1 month's prior written notice at any time after 3 months from the date of issue of the Promissory Note, which will be on the date of completion of the Transfer. The Promissory Note will be non-interest bearing for the first 6 months after the date of issue of the promissory note, and will thereafter bear interest on the basis of quarterly interest periods at the rate which is equal to 3-months HIBOR plus 1% prevailing at or around the commencement of the relevant interest period. At the discretion of the Company, the Promissory Note is transferable and divisible in principal amounts in any denominations.

### **2.3 Definitive Documentation**

The Offer Letter contemplates that, if the Offer is accepted by the Company, detailed transaction documents will be entered into setting out the detailed terms of the Transfer (which will include customary representations and warranties, the transaction timetable and proposed date of completion of the Transfer) to be agreed between the Purchaser and the Company, with each acting reasonably having regard to all relevant circumstances. The forms of the detailed transaction documents will be agreed between the Purchaser and the Company as soon as reasonably practicable, although they will only be entered into after the SGM and assuming that the Transfer has been approved by the Shareholders at the SGM (in compliance with the Required Voting Standard). The Circular will contain all material terms of the legally binding agreements in relation to the Proposals.

### **2.4 Conditions Precedent**

The Offer Letter contemplates that completion of the Transfer will be conditional upon the fulfillment or waiver, as applicable, of the following conditions:

- (a) Implementation of an internal group reorganization, on completion of which the Target Company will be the holding company of the Target Assets.
- (b) Obtaining by the Purchaser of an irrevocable offer of loan facilities from its financier to complete the Transfer.
- (c) Obtaining of all necessary approvals (including but not limited to shareholders' approval) in relation to the Transfer as required under the Listing Rules.
- (d) Obtaining of all third party consents which is required for the Transfer.
- (e) There being no material adverse change in the finance, business or prospects of the Group between signing and completion of the Transfer.

After receiving the Offer Letter, the Board informed the Purchaser of its intention to, inter alia, make the Proposed Distribution in favour of the Shareholders, withdraw the listing of the Shares on the Stock Exchange and wind-up the Company. The Purchaser agreed with the Board's proposal and revised the terms of the Offer so that it is a

condition precedent to completion of the Transfer that the Proposals be approved by Shareholders by way of a special resolution and in compliance with the Required Voting Standard. The revised terms are set out in the Supplemental Offer Letter dated 12 April 2007.

## 2.5 Expiry of Offer

The Offer will remain open for acceptance at any time up to 1 July 2007. The Purchaser also agreed not to withdraw or vary the terms of the Offer in any way prior to that date.

## 3. THE PURCHASER AND THE INTERESTED SHAREHOLDERS

The Purchaser was incorporated in the British Virgin Islands with limited liability. The Purchaser was established for the sole purpose of making the Offer to the Company and has no other business activities.

The Interested Shareholders own the entire issued share capital of the Purchaser. Mr. Senta Wong is the ultimate beneficial owner of 79.43% of the issued shares of the Purchaser. The remaining 20.57% of the issued shares of the Purchaser are owned by other Interested Shareholders.

As at the date of this announcement, there were 708,103,964 Shares in issue, of which the Interested Shareholders were interested in 476,657,458 Shares (representing approximately 67.3% of the issued share capital of the Company), and the Independent Shareholders were interested in 231,446,506 Shares (representing approximately 32.7% of the issued share capital of the Company).

The Interested Shareholders comprise Mr. Senta Wong, Rewarding Limited (*note 1*), Wonder Luck International Limited (*note 2*), Ms. Wong Wu Lai Ming (*note 3*), Ms. Ava Wong (*note 4*), Ms. Orangeo Wendy Wong (*note 4*), Mr. Wong Chung Yin (*note 5*), Ms. Woo Sin Ming (*note 5*), Levy Investment Ltd. (*note 6*), Pacific Way Limited (*note 6*), Floral Inc. (*note 7*), Ms. Luk Kit Ching (*note 8*), Ms. Wong Vivian Yin Wing (*note 8*), Kong King International Ltd. (*note 9*), Mrs. Chung Chui Everitt (*note 10*) and Sycamore Assets Limited (*note 10*).

*Notes:*

1. Rewarding Limited is a wholly owned subsidiary of Greatfamily Inc., which is owned by a discretionary trust established for the benefit of the family of Mr. Senta Wong.
2. Wonder Luck International Limited is a wholly owned subsidiary of Senta Wong (BVI) Limited, which is wholly owned by Mr. Senta Wong.
3. Ms. Wong Wu Lai Ming is the wife of Mr. Senta Wong.
4. Ms. Ava Wong and Ms. Orangeo Wendy Wong are the daughters of Mr. Senta Wong.
5. Mr. Wong Chung Yin is the brother of Mr. Senta Wong. Ms. Woo Sin Ming is the wife of Mr. Wong Chung Yin.

6. Levy Investment Ltd. and Pacific Way Limited are ultimately owned by discretionary trusts established for the benefit of the family of Mr. Wong Chung Yin.
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. Mr. Johnny Wong Chung Ah is the brother of Mr. Senta Wong. Ms. Luk Kit Ching is the wife of Mr. Johnny Wong Chung Ah and Ms. Wong Vivian Yin Wing is the daughter of Mr. Johnny Wong Chung Ah.
9. 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.
10. Mrs. Chung Chui Everitt is the sister of Mr. Senta Wong. Sycamore Assets Limited is ultimately owned by a discretionary trust established for the benefit of the family of Mrs. Chung Chui Everitt.

#### **4. PROPOSED DISTRIBUTION**

##### **4.1 Distribution of sale proceeds**

If the Offer is accepted by the Company, the Board proposes to declare a distribution in favour of the Shareholders of the entire amount of the sale proceeds received as a result of completing the Transfer. Pursuant to the Proposed Distribution:

- (a) The Promissory Note in the principal amount of HK\$786,484,806 will be distributed to the Interested Shareholders. The amount of the Promissory Note proposed to be distributed to the Interested Shareholders is equivalent to 67.2% of the total amount of the Proposed Distribution. Based on the existing number of shares held by the Interested Shareholders, this will result in the Interested Shareholders receiving Promissory Notes bearing principal amounts in the proportion of HK\$1.65 per Share pursuant to the Proposed Distribution.
- (b) An amount of HK\$383,213,335 in cash will be distributed to the Independent Shareholders. The amount of cash proposed to be distributed to the Independent Shareholders is equivalent to 32.8% of the total amount of the Proposed Distribution. Based on the existing number of shares held by the Independent Shareholders and assuming full exercise of the 804,000 Options vested as at the date of this announcement, this will result in the Independent Shareholders receiving HK\$1.65 per Share in cash pursuant to the Proposed Distribution.

The proposed distribution of a cash amount representing HK\$1.65 per Share to the Independent Shareholders represents:

- (a) a premium of approximately 25.0% over the closing price of HK\$1.32 per Share as quoted on the Stock Exchange on 16 March 2007 (being the last trading day prior to the suspension of trading in the Shares pending the issue of this announcement);
- (b) a premium of approximately 25.0% over the average closing price of about HK\$1.32 per Share based on the daily closing prices as quoted on the Stock Exchange over the 10 trading days up to and including 16 March 2007;

- (c) a premium of approximately 26.9% over the average closing price of about HK\$1.30 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including 16 March 2007;
- (d) a premium of approximately 35.2% over the average closing price of about HK\$1.22 per Share based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including 16 March 2007;
- (e) a premium of approximately 37.5% over the average closing price of about HK\$1.20 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including 16 March 2007;
- (f) a premium of approximately 37.5% to the audited consolidated net asset value per Share of about HK\$1.20 as at 31 December 2005; and
- (g) a premium of approximately 27.9% to the unaudited consolidated net asset value per Share of about HK\$1.29 as at 30 June 2006.

#### **4.2 Capital Reduction and amendment to Bye-laws**

To facilitate the Proposed Distribution, the Board will seek the approval of Shareholders at the SGM (applying the Required Voting Standard) to reduce the share capital and the share premium account of the Company and to transfer the credit so arising to the contributed surplus account of the Company and to amend the Bye-laws of the Company. Details of the Capital Reduction and the amendment to the Bye-laws will be contained in the Circular.

#### **4.3 Conditions of the Proposed Distribution**

The Proposed Distribution is conditional upon the fulfillment of the following conditions:

- (a) acceptance of the Offer and completion of the Transfer having occurred; and
- (b) the approval of the Proposals by Shareholders by way of a special resolution and in compliance with the Required Voting Standard;

### **5. WITHDRAWAL PROPOSAL**

#### **5.1 Voluntary withdrawal of listing**

Following completion of the Transfer and the Proposed Distribution, the Board proposes that the listing of the Shares on the Stock Exchange be withdrawn and will submit the Withdrawal Proposal to Shareholders for their approval (applying the Required Voting Standard).

Subject to all conditions of the Withdrawal Proposal being fulfilled, the Company will apply to the Stock Exchange to withdraw the listing of the Shares from the Stock Exchange pursuant to Rule 6.12 of the Listing Rules. That application is subject to the

Stock Exchange being satisfied with compliance with all applicable Listing Rules requirements including Rule 6.12 of the Listing Rules. In this regard, the Proposed Distribution is considered by the Company to be a “reasonable cash alternative or other reasonable alternative” offered to the Independent Shareholders in compliance with Rule 6.12(4) of the Listing Rules.

## 5.2 Conditions of the Withdrawal Proposal

The Withdrawal Proposal will become effective and binding on the Company and all Shareholders subject to:

- (a) acceptance of the Offer and completion of the Transfer having occurred;
- (b) the Proposed Distribution having occurred; and
- (c) the approval of the Proposals by Shareholders by way of a special resolution and in compliance with the Required Voting Standard.

## 5.3 Winding-up

Following the Proposed Distribution and the withdrawal of the listing of the Shares on the Stock Exchange, the Independent Shareholders will have received an amount of HK\$1.65 per Share pursuant to the Proposed Distribution but will remain Shareholders in a public but unlisted company. The Board proposes that the Company and all its remaining subsidiaries (if any, which will be non-operating and negligible in value) be wound up and will submit the Winding-up Proposal to Shareholders for their approval.

The Winding-up Proposal will become effective and binding on the Company and all Shareholders subject to:

- (a) acceptance of the Offer and completion of the Transfer having occurred;
- (b) the Proposed Distribution having occurred;
- (c) the listing of the Shares on the Stock Exchange having been withdrawn; and
- (d) the approval of the Proposals by Shareholders by way of a special resolution and in compliance with the Required Voting Standard.

Upon the winding up of the Company, all Shareholders will be entitled to participate on a pro rata basis in any assets available for distribution to the Shareholders after any creditors and the costs of the winding up have been paid. However, it is not anticipated that any material assets will remain following the Proposals having been implemented.

## 6. LISTING RULES IMPLICATIONS

Mr. Senta Wong is the ultimate beneficial owner of 79.43% of the issued shares of the Purchaser. The remaining 20.57% of the issued shares of the Purchaser are owned by other Interested Shareholders. Mr. Senta Wong is also a substantial shareholder and director of the Company and is therefore a connected person of the Company (as defined in the Listing Rules). Accordingly, the Transfer will constitute a connected transaction for the Company.

In addition, the Transfer will result in the percentage ratios as defined in Chapter 14 of the Listing Rules exceeding 75%. Accordingly, the Transfer will also constitute a very substantial disposal for the Company, and is subject to the disclosure, reporting and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Under Rule 6.12 of the Listing Rules, a listed issuer may not voluntarily withdraw its listing on the Stock Exchange without the permission of the Stock Exchange unless the issuer has obtained the prior approval of its shareholders at a duly convened shareholders' meeting (with any controlling shareholders and their respective associates abstaining from voting in favour). The approval must be given (by way of poll) by at least 75% of the votes attaching to the shares held by holders voting either in person or by proxy at the meeting. The number of votes cast against the resolution must not be more than 10% of the votes attaching to the shares held by holders permitted to vote in person or by proxy at the meeting.

The Capital Reduction, the amendments to the Bye-laws of the Company and the Winding-up Proposal have to be approved by way of special resolutions.

An SGM is proposed to be convened to consider, among other things, the Proposals. The Stock Exchange has requested the Company to apply the voting standard imposed by Rule 6.12 of the Listing Rules to all Proposals. To comply with Rule 6.12 of the Listing Rules, the Board proposes to submit all Proposals for Shareholders' approval in a combined resolution and will apply the Required Voting Standard to such resolution. Under Rule 6.12 of the Listing Rules, the controlling shareholders of the Company and their respective associates will be required to abstain from voting in favour of the Proposals at the SGM. The Interested Shareholders will abstain from voting at the SGM in respect of the resolution to be proposed to approve the Proposals.

An independent board committee will be established to advise the Qualifying Shareholders in connection with the Proposals. The Board will appoint an independent financial adviser to advise the Independent Board Committee in connection with the Proposals.



## **7. EXPECTED TIMETABLE**

Shareholders will be notified in the Circular to be despatched to the Shareholders of the date of the SGM, the anticipated timetable for completing the Transfer if the Offer is accepted, the estimated record date and date of payment for the Proposed Distribution, and the estimated date on which the withdrawal of the listing of the Shares on the Stock Exchange will become effective, if the conditions applicable to the respective proposals are fulfilled.

It is currently anticipated that:

- (a) The Circular will be despatched within 21 days of the date of this announcement (unless extended by the Stock Exchange).
- (b) The SGM will be held in or around May 2007.
- (c) Assuming the requisite approval is obtained at the SGM, the Offer will be accepted immediately following the SGM. The Company and the Purchaser will then enter into the definitive transaction documents setting out the detailed terms and timetable for completion of the Transfer.
- (d) Assuming that the conditions of the Proposed Distribution have been fulfilled, the record date for the Proposed Distribution will be within 14 days after completion of the Transfer.
- (e) Assuming that the conditions of the Withdrawal Proposal have been fulfilled, the withdrawal of the listing of the Shares on the Stock Exchange will occur after the payable date for the Proposed Distribution.

## **8. BENEFITS OF AND REASONS FOR THE TRANSFER, THE PROPOSED DISTRIBUTION AND THE WITHDRAWAL PROPOSAL**

The Consideration proposed under the Offer Letter was arrived at on normal commercial terms having regard to the Purchaser's assessment of the value of the Company's businesses and the recently traded prices of the Company's shares.

The Board has reviewed the terms of the Offer set out in the Offer Letter. After considering all factors including (a) the tough market environment for industrial products and the uncertain outlook for the market, (b) the rising wages for workers in the PRC, (c) the fluctuations in material costs, (d) the limited liquidity of the Company's shares and (e) the premium represented by the Consideration over the existing and historical share price of the Company, the Board is of the view that continuing the Company's existing business is unlikely to create shareholder value in the short or medium term equivalent to that which can now be achieved by accepting the Offer and returning substantially all of the sale proceeds to the Shareholders.

Moreover, the Board is of the view that given the limited liquidity of the Shares, the ability of the Company to raise funds from the equity market is limited in the foreseeable future and the costs associated with the maintenance of the Company's listing on the Stock Exchange is not justified. The average daily trading volume during the period of 180 dealing days prior to the suspension of trading in the Shares on the Stock Exchange on 19 March 2007 was approximately 724,886 Shares, representing only 0.1% of the total issued Shares. Accordingly, the Board is of the view that the Proposals provide an opportunity for all Independent Shareholders to realize their investment in the Company at a premium to the prevailing market price of the Shares.

The Board will establish the Independent Board Committee and appoint the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposals. The Board will take into account the recommendations of the Independent Board Committee and the Independent Financial Adviser in forming its view as to whether it is in the best interests of the Company and its Shareholders as a whole to accept the Offer. The views of the Independent Board Committee, the Independent Financial Adviser and the Board will be set out in the Circular.

In addition, the Board intends to convene the SGM and ascertain the view of the Qualifying Shareholders before deciding whether or not to accept the Offer. The SGM to be convened will be a general meeting of shareholders convened in accordance with the requirements of Chapters 14 and 14A of the Listing Rules and the resolutions to be proposed at the SGM will, if passed, constitute the approvals of the Qualifying Shareholders required under the Listing Rules in order to complete the Transfer and implement the Proposals. The legally binding agreements resulting from acceptance of the Offer will not be subject to further approval of the Qualifying Shareholders. The Circular will contain all material terms of the legally binding agreements in relation to the Proposals.

Following the payment of the Proposed Distribution and the withdrawal of the listing, the Group will cease conducting business and, as referred to above, it is the Board's intention that the Company and its subsidiaries be voluntarily wound up.

## **9. GENERAL INFORMATION**

### **9.1 Information on the Group**

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. The Group has its headquarters in Hong Kong and its manufacturing operations are located in the PRC.

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

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2004</b>	<b>2005</b>
	<b>(restated)</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	4,279,844	4,641,372
Profit from operations	202,882	254,130
Profit before taxation and minority interests	164,128	235,483
Net profit attributable to shareholders	122,519	180,609

The audited consolidated net assets of the Group as at 31 December 2005 were approximately HK\$832,232,000 or HK\$1.20 per Share. The unaudited consolidated net assets of the Group as at 30 June 2006 were approximately HK\$891,729,000 or HK\$1.29 per Share. As the Transfer involves disposal of substantially all the operating businesses and assets of the Group, based on the unaudited consolidated net assets of the Group as at 30 June 2006, the book value of the Target Company is expected to be approximately HK\$891,658,000.

Based on the premium represented by the consideration of the Transfer over the expected book value of the Target Company, the Transfer, if proceeds, is expected to result in an estimated gain of approximately HK\$278,040,000 (before expenses).

## 9.2 Overseas shareholders of the Company

The making of the Proposed Distribution to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal and regulatory requirements. It is the responsibility of any overseas Shareholders 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, and the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

## 9.3 Despatch of Circular

A circular will be sent to the Shareholders containing, among other things, further details of the Proposals, the expected timetable, the recommendations of the Independent Board Committee in relation to the Proposals, a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Proposals and a notice of the SGM.

#### 9.4 Resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 19 March 2007 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 April 2007 on the Stock Exchange.

**Shareholders and potential investors should be aware that implementation of the Proposals are subject to the relevant conditions applicable to them being fulfilled and thus the Proposals may or may not become effective. For this reason, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

#### 10. DEFINITIONS

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

“Abstaining Shareholders”	the Interested Shareholders, the controlling shareholders of the Company and any associates of the controlling shareholders;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Capital Reduction”	the proposal to reduce the share capital and the share premium account of the Company as detailed in paragraph 4.2 of this announcement;
“Circular”	the circular to be despatched to the Shareholders containing further details of the Proposals;
“Company”	Wong’s Kong King 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;
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	an aggregate amount of HK\$1,169,698,141, comprising the Promissory Note in the amount of HK\$786,484,806 and cash in the amount of HK\$383,213,335, being the aggregate consideration payable by the Purchaser for the Transfer;
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;

“HIBOR”	Hong Kong Interbank Offered Rate for deposits of Hong Kong dollars;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee of the Company to be established for the purpose of advising the Qualifying Shareholders in relation to the Proposals;
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee in connection with the Proposals;
“Independent Shareholder(s)”	Shareholder(s) other than the Interested Shareholders;
“Interested Shareholders”	Mr. Senta Wong, Rewarding Limited, Wonder Luck International Limited, Ms. Wong Wu Lai Ming, Ms. Ava Wong, Ms. Orangeo Wendy Wong, Mr. Wong Chung Yin, Ms. Woo Sin Ming, Levy Investment Ltd., Pacific Way Limited, Floral Inc., Ms. Luk Kit Ching, Ms. Wong Vivian Yin Wing, Kong King International Ltd., Mrs. Chung Chui Everitt and Sycamore Assets Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	the offer from the Purchaser to purchase the Target Assets on the terms of the Offer Letter (as supplemented by the Supplemental Offer Letter);
“Offer Letter”	a letter dated 11 April 2007 from the Purchaser to the Company in respect of the Transfer (and where the context requires, including the revised terms as set out in the Supplemental Offer Letter);
“Option”	an option to subscribe for one Share, granted pursuant to the share option scheme of the Company adopted at the annual general meeting of the Company on 30 May 2005;
“Purchaser”	Twopac Limited, a company incorporated in the British Virgin Islands and in which Mr. Senta Wong has a controlling interest;
“PRC”	the People’s Republic of China;
“Promissory Note”	a promissory note in the amount of HK\$786,484,806 to be issued by the Purchaser to the Company as part of the Consideration for the Transfer in accordance with the Offer Letter;

“Proposals”	the proposals in relation to the acceptance of the Offer, the Transfer, the Capital Reduction, the amendments to the Bye-laws of the Company, the Proposed Distribution, the Withdrawal Proposal and the Winding-up Proposal;
“Proposed Distribution”	the proposed distribution by the Company of all of the proceeds of the Transfer as detailed in paragraph 4.1 of this announcement;
“Qualifying Shareholder(s)”	Shareholder(s) other than the Abstaining Shareholders;
“Required Voting Standard”	the approval (by way of poll) by Qualifying Shareholders representing at least 75% of the votes attaching to the Shares held by Qualifying Shareholders voting either in person or by proxy at the SGM in respect of the resolution relating to the relevant proposal, provided that the number of votes cast against the resolution for the relevant proposal at the SGM is not more than 10% of the votes attaching to the Shares held by Qualifying Shareholders permitted to vote in person or by proxy at the SGM in respect of the resolution relating to the relevant proposal;
“SGM”	the special general meeting of the Company to be convened and held to consider and approve the Proposals;
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Offer Letter”	a further letter dated 12 April 2007 from the Purchaser to the Company revising terms of the Offer;
“Target Assets”	substantially all the operating businesses and assets of the Group;
“Target Company”	a special purpose vehicle into which the Target Assets will be injected during the internal group reorganization as a condition precedent to completion of the Transfer;
“Transfer”	the sale by the Company and the purchase by the Purchaser of the Target Assets effected through the transfer of the entire issued share capital of the Target Company in accordance with the terms of the Offer Letter;

“Winding-up  
Proposal”

the proposal to wind-up the Company and its remaining subsidiaries (conditional upon the completion of the Transfer, the Proposed Distribution and the withdrawal of listing) as detailed in paragraph 5.3 of this announcement; and

“Withdrawal  
Proposal”

the proposal to withdraw the listing of the Shares on the Stock Exchange as detailed in paragraphs 5.1 and 5.2 of this announcement.

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

Hong Kong, 16 April 2007

*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.*

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