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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

ACCEPTANCE OF TENDER IN RELATION TO THE CONSTRUCTION OF THE VIETNAM FACTORY PROJECT

On 30 July 2021, WTVN, a wholly-owned subsidiary of the Company, signed a Letter of Acceptance confirming that they accepted a tender submitted by Investcorp for the provision of construction and related services for the Vietnam Factory Project with an accepted contract amount of VND230,391,944,379 (equivalent to approximately HK\$78,766,477).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the transaction contemplated under the Letter of Acceptance is more than 5% but less than 25%, the Letter of Acceptance constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 July 2021, WTVN, a wholly-owned subsidiary of the Company, signed a Letter of Acceptance confirming that they accepted a tender submitted by Investcorp for the provision of construction and related services for the Vietnam Factory Project with an accepted contract amount of VND230,391,944,379 (equivalent to approximately HK\$78,766,477).

PRINCIPAL TERMS OF THE LETTER OF ACCEPTANCE

Date

30 July 2021

Parties

- (1) WTVN as the employer
- (2) Investcorp as the Contractor

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

Subject Matter

Investcorp was appointed as the Contractor. Pursuant to the Letter of Acceptance, the scope of work shall include the design and build of the factory building, submission and obtaining of all the required licences and permits as well as testing, commissioning and maintenance of the mechanical, electrical and plumbing systems, fire services installations inside the factory building and other related services in relation to the Vietnam Factory Project.

Accepted Contract Amount

The accepted contract amount for the provision of services contemplated under the Letter of Acceptance is VND230,391,944,379 (equivalent to approximately HK\$78,766,477). It is a lump sum contract based on the specifications required in the tender documents, which should not fluctuate because of any change in cost, exchange rates, taxation or measurements, except for any variations ordered by WTVN.

The accepted contract amount was determined based on the bidding price offered by Investcorp. Tenders were received from a total of 4 bidders, and the Company considered a number of factors including the quotations, experience, construction plan, and proposed construction period of all the bidders to determine the successful bidder. Among these factors, the quotation and the bidders' experience in carrying out construction works of a comparable scale and complexity were the major factors considered by the Company. After conducting an overall evaluation of the tender proposals, WTVN accepted the tender submitted by Investcorp on the basis that it obtained the most votes from the Group's tender evaluation committee. Investcorp's bidding price was within the middle range of the bidding prices submitted by all bidders and was consistent with the Company's prior estimation of the likely accepted contract amount.

Payment Schedule

The accepted contract amount is expected to be funded from internal resources of the Group and/or bank borrowings and the terms of payment are as follows:

- (i) Advance payment: 10% of the accepted contract amount shall be paid within 14 days after the contract with Investcorp becomes effective and Investcorp has provided the Performance Security and the Guarantee for the Advance Payment.

The advance payment shall be deducted gradually based on the completed percentage of works done for each interim payment period and shall be fully deducted against the sum due for each interim payment when 75% of the works is completed.

- (ii) Mode of payment: Monthly interim payment shall be made based on the percentage of works done on site after deduction of the amount of the advance payment, if any, and will be paid 21 days after the Engineer endorses the statement of works done with all supporting documents.

- (iii) Retention: WTVN can retain not more than 10% of the value of the works done which will be deducted from each monthly interim payment. However, the maximum overall retention is limited to 5% of the accepted contract amount.

- (iv) Final progress payment: Within 42 days after WTVN receives a Payment Certificate and the Contractor has submitted all relevant documents required under the Letter of Acceptance.

- (v) Release of retention money: Half of retention money can be released 3 months after the date of issuance of the Results of the Inspection and Acceptance of the Completed Construction and after the receipt of the Pink Book Certificate by WTVN.

The remaining half will be released within 56 days after the end of Defects Notification Period and issuance of the Performance Certificate.

Contract Period

The date of commencement of the work in relation to the Vietnam Factory Project shall be on 1 August 2021 and the date of completion of the whole works is expected to be on 19 March 2022.

Performance Security

Investcorp is required to provide, within 14 days after the Letter of Acceptance becomes effective, an unconditional and irrevocable bank guarantee equivalent to 10% of the accepted contract amount in favour of WTVN to guarantee the Contractor's due performance of its obligations under the Letter of Acceptance ("**Performance Security**"). The Performance Security shall remain valid until the date of issuance of the Results of the Inspection and Acceptance of the Completed Construction.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND INVESTCORP

The Company and its subsidiaries are principally engaged in the development, manufacture, marketing and distribution of electronics products as well as property holding.

WTVN is a company incorporated in Vietnam with limited liability and is principally engaged in electronic products manufacturing.

Investcorp is a company incorporated in Vietnam with limited liability and is principally engaged in design, consultancy, construction and mechanical and electrical engineering.

REASONS FOR AND BENEFITS FOR THE TRANSACTION

To cope with increased US tariffs and to cater for the needs of many global customers, the new facility in Vietnam is expected to bring in new sales opportunities for the EMS Division of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the transaction contemplated under the Letter of Acceptance is more than 5% but less than 25%, the Letter of Acceptance constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Directors, including the Independent Non-executive Directors, consider that the terms of the Letter of Acceptance are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Wong’s International Holdings Limited (王氏國際集團有限公司), a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 99)
“Contractor”	Investcorp, the main building works contractor engaged by WTVN for the Vietnam Factory Project
“Defects Notification Period”	12 calendar months from the date of issuance of the Results of the Inspection and Acceptance of the Completed Construction or such other date as may be otherwise specified in any extension
“Directors”	director(s) of the Company
“EMS Division”	the electronic manufacturing service division of the Group that focuses on the manufacture and distribution of electronic products for EMS customers
“Engineer”	CBRE (Vietnam) Company Limited, a company incorporated in Vietnam with limited liability
“Group”	collectively, the Company and its subsidiaries from time to time
“Guarantee for the Advance Payment”	an unconditional and irrevocable bank guarantee to secure the Contractor’s full repayment of the advance payment to be valid until issue of the Results of the Inspection and Acceptance of the Completed Construction or until recovery of the advance payment, whichever comes earlier
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Investcorp”	Investcorp Group Joint Stock Company, a company incorporated in Vietnam with limited liability
“Letter of Acceptance”	the legally binding letter of acceptance signed by WTVN confirming the acceptance of the tender submitted by Investcorp and containing the principal terms of the transaction between WTVN and Investcorp
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Payment Certificate”	the certification from the Engineer to certify that the request for payment from the Contractor meets all the conditions for payment and is good to pay
“Performance Certificate”	a certificate issued by the Engineer within 28 days after the latest of the expiry dates of the Defects Notification Periods, or as soon thereafter as the Contractor has supplied all the Contractor’s documents and completed and tested all the works, including remedying any defects
“Pink Book Certificate”	a certificate of land use right, building and other assets ownership rights associated with the land in Vietnam
“Results of the Inspection and Acceptance of the Completed Construction”	the condition precedent for the date of completion, which is ready for legal occupation by WTVN, shall include receipt of all relevant licenses, approvals, consents, occupation permits and independent testing certificates required by all relevant government authorities duly received by WTVN from the relevant government authorities, based on full and complete documentation provided by the Contractor to the Engineer for this purpose
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vietnam Factory Project”	the construction of a new factory in Hai Duong Province of Vietnam for expansion of the Group’s current manufacturing capability in Vietnam, which encompasses about 17,000 square meters of land for the construction of a facility with 30,000 square meters of floor area near the Group’s present facility
“VND”	Vietnamese Dong, the lawful currency of Vietnam
“WTVN”	Welco Technology Vietnam Company Limited, a company incorporated in Vietnam with limited liability and a wholly-owned subsidiary of the Company

In this announcement, save as otherwise stated, figures in VND are translated to HK\$ at the exchange rate of HK\$1=VND2,925 for illustration purposes only.

On behalf of the Board
WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

Hong Kong, 30 July 2021

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. Hung Wing Shun, Edmund and Mr. Chan Wai Ming, Hermes; 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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