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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)

PROFIT WARNING

This announcement is made by Wong's International Holdings Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company wishes to inform its shareholders and potential investors that based on a preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 December 2020 ("**FY2020**"), the Group expects to record a consolidated net loss attributable to the owners of the Company in the range of HK\$730 million to HK\$780 million for FY2020 as compared to a net profit attributable to the owners of the Company of HK\$266 million for the last financial year of 2019.

Based on the latest information available, this was mainly attributable to:

- (1) a decrease in the value of the Group's properties and share of losses in the Group's joint ventures (the "**Joint Ventures**") which was due to a decrease in the value of properties held by the Joint Ventures. The decrease in value of properties held by the Group and the Joint Ventures is expected to be in the range of HK\$840 million to HK\$880 million as compared to an increase in value of HK\$98 million for the last financial year of 2019. The decrease reflects the commercial property market conditions which were adversely affected by the outbreak of COVID-19. The decrease in the value of the properties is unrealised and did not have any impact on the Group's cash flow. The properties held by the Group and the Joint Ventures are mainly for leasing purposes and the rental income had no significant change in FY2020; and
- (2) the appreciation of Renminbi in the second half of 2020 which resulted in a significant exchange loss arising from the translation of US dollar deposits held in China to Renminbi base currency. The exchange loss is expected to be in the range of HK\$45 million to HK\$55 million as compared to an exchange gain of HK\$9 million for the last financial year of 2019.

In addition, the segment results of the EMS Division for FY2020 is expected to have dropped by 10% to 25% compared to the segment results of the EMS Division for the last financial year 2019. The Group's manufacturing operations were impacted by the outbreak of COVID-19 from January to March of 2020 and returned to the normal level thereafter.

This profit warning is based on a preliminary assessment of the unaudited consolidated financial statements of the Group for FY2020, which has not been reviewed or audited by the auditors of the Company.

The Company is still in the process of finalizing the consolidated financial statements of the Group for FY2020 and a formal announcement of the Company's financial results for FY2020 will be published in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 26 February 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. 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.

Website: www.wih.com.hk