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# WINFOONG INTERNATIONAL LIMITED

( 榮 豐 國 際 有 限 公 司 )

(Incorporated in Bermuda with limited liability)

Further to the announcement dated 7th July, 1998, the board of directors of Winfoong International Limited (the "Company") announce that on 18th July, 1998, Winfoong Investment Limited ("Winfoong Investment"), a wholly-owned subsidiary of the Company, and the Company entered into a sale and purchase agreement ("Winfoong Agreement") with Universal Union Limited ("Universal Union") for the sale by Winfoong Investment of 118,376,906 shares in Sui Chong Holdings Limited ("Sui Chong") (representing approximately 45% of the existing issued share capital of Sui Chong and representing the entire interests of the Company in Sui Chong) to Universal Union at a price of HK\$1.0245 per share and at an aggregate consideration of HK\$121,277,140. Universal Union also simultaneously entered into a sale and purchase agreement ("Bishopgate Agreement") with Bishopgate Holdings Limited ("Bishopgate") and Hong Fok Corporation Limited for the sale by Bishopgate of 34,074,508 shares in Sui Chong (representing approximately 13% of the entire issued share capital of Sui Chong) at a price of HK\$1.0245 per share and at an aggregate consideration of HK\$34,909,333. The Company also simultaneously entered into a sale and purchase agreement ("Acquisition Agreement") with Sui Chong for the purchase by the Company of certain existing subsidiaries ("Sale Subsidiaries") of Sui Chong at a price of HK\$59,235,901 (subject to adjustment).

The consideration of HK\$1.0245 per share under the Winfoong Agreement was determined with reference to the consolidated net tangible asset value of Sui Chong and certain of its existing subsidiaries (which will be retained as subsidiaries of Sui Chong following completion of the above agreements. The consideration of HK\$59,235,901 under the Acquisition Agreement was determined with reference to the consolidated net tangible asset value of the Sale Subsidiaries.

Completion of the Winfoong Agreement, the Bishopgate Agreement and the Acquisition Agreement if condition upon, inter alia, the shareholders of Sui Chong other than Hong Fok, Winfoong and their respective associates (as defined in the Hong Kong Listing Rules) passing at a special general meeting of Sui Chong ordinary resolutions approving the Acquisition Agreement and certain inter-group transfer of properties among the Sui Chong group.

The directors of the Company consider the terms of the Winfoong Agreement and the Acquisition Agreement to be fair and reasonable and are in the best interests of the Company.

The directors of the Company consider the Winfoong Agreement a good opportunity for the Company to realise its investment in Sui Chong.

A general offer will be extended by Universal Union under Rule 26 of the Takeover Code for the shares of Sui Chong.

Universal Union is not connected with any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them, and is beneficially owned by Mr. Qian Yong Wei.

Bishopgate is a wholly-owned subsidiary of Hong Fok and Hong Fok indirectly owns approximately 40.31% of the existing issued share capital of the Company.

The Winfoong Agreement and the Acquisition Agreement have no implications for the Company under Chapter 14 of the Hong Kong Listing Rules.

Shares in Sui Chong have been suspended with effect from 10:00 a.m. on Monday, 20th July, 1998 pending clearance of an announcement to be issued by the Company, Sui Chong and Universal Union in connection with the above agreements.

The directors of the Company further announced that in respect of certain placing agreements all dated 26th October, 1997 for the issue and allotment of 43,400,000 shares in Sui Chong, the Company had unintentionally omitted to seek the approval of the shareholders of the Company in manner as required by the Hong Kong Listing Rules. The Stock Exchange reserve the right to take appropriate action against the Company and/or the directors of the Company for such breach of the Listing Rules.

**Investors are advised to exercise extreme caution in dealing in the shares of the Company.**

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement 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 misleading.

By Order of the board  
**Wong Lai Pui, Jack**  
Director