



WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

Connected Transactions Disposal of entire interest in Golden City Equities Limited

The Directors announce that:

On 31 December 2001, WKH BVI, a wholly-owned subsidiary of the Company as vendor has entered into a Sale and Purchase Agreement with Mr. W.S. Lee or his Nominee as purchaser relating to the disposal by WKH BVI of the entire issued capital of Golden City at a consideration of HK\$1,300,000.

The consideration for the Golden City Disposal was determined at arm's length negotiations and will be paid in cash by Mr. W.S. Lee or his Nominee.

The Golden City Disposal constitutes a connected transaction for the Company under the Listing Rules since Mr. W.S. Lee, or his Nominee (being an associate of Mr. W.S. Lee), is a connected person of the Company within the meaning of the Listing Rules.

Golden City is a company incorporated in British Virgin Islands with limited liability and was an indirect wholly owned subsidiary of the Company. Golden City is principally engaged in investment holding with subsidiaries operating production, post-production and editing services for laser disc and video; website production and design; and internet related services. The transaction hereinafter called the "Golden City Disposal".

GOLDEN CITY DISPOSAL

1. The Golden City Agreement

Date	: 31 December 2001
Purchaser	: Mr. W.S. Lee or his Nominee
Vendor	: WKH BVI
Assets to be realized	: the Golden City Shares
Completion	: Immediately after the signing of the Golden City Agreement

2. Consideration

The consideration for the Golden City Shares is HK\$1,300,000. The consideration was arrived at after arm's length negotiations between the parties. The consideration for the Golden City Shares is based on the net assets value of Golden City of HK\$1,623,000 according to its unaudited management accounts at 30 November 2001 and after deduction of the long service employment liability of HK\$275,000 which the Company agreed to undertake as a potential liability of Golden City. The Directors consider the consideration for the Golden City Shares to be fair and reasonable.

3. Information on Golden City

Golden City is principally engaged in investment holding with subsidiaries operating production, post-production and editing services for laser disc and video; website production and design; and internet related services. The accounts of Golden City have not been audited since Golden City is a private company and is not a major subsidiary of the Company. The unaudited net gain/(loss) before taxation and minority interests and extraordinary items attributable to the Golden City Shares for the year ended 31 December 2000 and for the six months ended 30 June 2001 were HK\$139,328 and (HK\$274,856) respectively. The unaudited net gain/(loss) after taxation and minority interests and extraordinary items attributable to the Golden City Shares for the year ended 31 December 2000 and for the six months ended 30 June 2001 were HK\$129,351 and (HK\$265,073) respectively.

REASON FOR THE GOLDEN CITY DISPOSAL

The principal businesses of the Group are importing, marketing and distribution of air-conditioning and refrigeration products; audio-visual equipment; car audio and electronic products, motor vehicles and car accessories, and other electronic and electrical products. The Directors are of the view that the Golden City Disposal is in line of the Group's strategy to concentrate on its core business. The Directors believe that it should eliminate non-core loss making business and refocus the Group on its core business and that will be beneficial to the Company and the shareholders as a whole.

The management of the Company anticipates the financial impact of the Golden City Disposal to the Group in the financial year 2001, based on the unaudited accounts at 30 November 2001 will be a loss of HK\$459,000. The sale proceed of HK\$1,300,000 will be used to reduce the shareholder loan owed by the Group to Mr. W.S. Lee.

CONNECTED TRANSACTIONS

Golden City is a company incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of the Company. Mr. W.S. Lee, or his Nominee (being an associate of Mr. W.S. Lee), is a connected person of the Company within the meaning of the Listing Rules and the Golden City Disposal constitutes a connected transaction within the meaning of the Listing Rules.

The Directors consider that the Golden City Disposal is entered into upon normal commercial terms and is in the interest of the Company. The said terms are arrived at after arm's length negotiations between the parties and are fair and reasonable insofar as the shareholders of the Company are concerned.

Since the aggregate value of the assets disposed of under the Golden City Disposal is more than 0.03% but less than 3% of the audited consolidated net tangible asset value of the Company at 31 December 2000 or the unaudited consolidated net tangible asset value of the Company at 30 June 2001, in compliance with Rule 14.25 of the Listing Rules, the Golden City Disposal is required to be disclosed by way of this announcement and details of which shall be included in the next published annual report of the Company.

TERMS USED IN THIS ANNOUNCEMENT

"BVI"	the British Virgin Islands
"Company"	Wo Kee Hong (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Directors"	the directors, including the independent non-executive directors, of the Company
"WKH BVI"	Wo Kee Hong (B.V.I.) Limited, a company incorporated in BVI and a wholly-owned subsidiary of the Company
"Group"	the Company together with its subsidiaries
"HK\$"	Hong Kong dollars
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Golden City"	Golden City Equities Limited, a company incorporated in BVI and an indirect wholly owned subsidiary of the Company
"Golden City Agreement"	the Sale and Purchase Agreement dated 31 December 2001 made between WKH BVI as vendor and Mr. W.S. Lee or his Nominee as purchaser relating to the purchase of the entire issued capital of Golden City
"Golden City Shares"	1 share of US\$1 each representing the entire issued share capital of Golden City
"Mr. W.S. Lee"	Mr. Wing Sum LEE, Chairman of the Group
"Nominee"	Company wholly-owned by Mr. W.S. Lee
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
Richard Man Fai LEE

Vice Chairman & Chief Executive Officer

Hong Kong, 31 December 2001