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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



DAILY GROWTH SECURITIES LIMITED

THE PLACING

On 18 January 2011 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 346,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at a price of HK\$0.40 per Placing Share.

The Placing Price of HK\$0.40 represents a discount of approximately 9.09% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price per Share of HK\$0.435 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The maximum number of 346,000,000 Placing Shares represents (i) approximately 18.68% of the existing issued share capital of the Company of 1,851,909,600 Shares as at the date of this announcement; and (ii) approximately 15.74% of the issued share capital of the Company of 2,197,909,600 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$3,460,000.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and the Placing Agreement not having been terminated in accordance with its terms.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be HK\$138.4 million and approximately HK\$135.5 million respectively. The Company intends to use the net proceeds from the Placing for the general working capital of the Group and potential investments to be identified. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.392 per Share.

The Placing Shares to be placed under the Placing Agreement will be issued pursuant to the General Mandate to allot, issue and deal with Shares granted to the Directors at the AGM.

THE PLACING AGREEMENT

Date

18 January 2011 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent.

Placing Agent

The Placing Agent has conditionally agreed to place up to 346,000,000 Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 1.8% on the gross proceeds of the actual number of Placing Shares being placed. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 1.8%, which was arrived at after arm's length negotiations under normal commercial terms, is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and will not be connected with the Company and its connected persons.

Number of Placing Shares

The maximum number of 346,000,000 Placing Shares represents (i) approximately 18.68% of the existing issued share capital of the Company of 1,851,909,600 Shares as at the date of this announcement; and (ii) approximately 15.74% of the issued share capital of the Company of 2,197,909,600 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$3,460,000.

Ranking of Placing Shares

The Placing Shares will rank pari passu in all respects among themselves and with Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.40 represents a discount of approximately 9.09% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price per Share of HK\$0.435 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on the date of the Placing Agreement. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 346,464,960 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and the Placing Agreement not having been terminated in accordance with its terms.

Termination of the Placing

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 10:00 a.m. (Hong Kong time) on the date of completion of the Placing if any of the following develops, occurs or comes into force:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (iv) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (v) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

Completion of the Placing

Completion of the Placing will take place within four Business Days after fulfillment of the conditions set out in the Placing Agreement but not later than 8 February 2011 (or such other date as the Company and the Placing Agent may agree in writing).

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds and consider that the Placing represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be HK\$138.4 million and approximately HK\$135.5 million respectively. The Company intends to use the net proceeds from the Placing for the general working capital of the Group and potential investments to be identified. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.392 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summarizes the fund raising activities of the Company in the last 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
26 February 2010	Issue of unlisted warrants to a subscriber under the general mandate granted on 4 January 2010	Net proceeds from the warrant subscription of approximately HK\$300,000	Intended to be used as general working capital of the Group	All of the net proceeds has been used as intended.
		Proceeds from the issue of the warrant shares of approximately HK\$51.82 million	Intended to be used as general working capital of the Group and as funds for future development of the Group.	All of the net proceeds has been used as intended.
26 April 2010	Proposed placing of shares of up to 80,000,000 shares under the general mandate granted on 9 April 2010	HK\$39.3 million	Intended to be used as general working capital of the Group and potential investments of the Group	All of the net proceeds has been used as intended.

EFFECTS ON SHAREHOLDING STRUCTURE

The expected changes in the share capital and shareholding structure of the Company resulting from the Placing are as follows:

Shareholders	Existing shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing	
	Shares	Approximate %	Shares	Approximate %
Cheever Capital Management (Asia) Limited (<i>Note 1</i>)	128,000,000	6.91	128,000,000	5.82
Newly Rich International Overseas Limited (<i>Note 2</i>)	29,180,000	1.58	29,180,000	1.33
Zhang Lan (<i>Note 2</i>)	87,500,000	4.72	87,500,000	3.98
Other public Shareholders	1,607,229,600	86.79	1,607,229,600	73.13
The Places	—	—	346,000,000	15.74
Total	<u>1,851,909,600</u>	<u>100.00</u>	<u>2,197,909,600</u>	<u>100.00</u>

Notes:

- Cheever Capital Management (Asia) Limited is wholly-owned by Cheung Siu Chung. Hence, Cheung Siu Chung is deemed to be interested in the Shares held by Cheever Capital Management (Asia) Limited for the purpose of SFO.
- Newly Rich International Overseas Limited is wholly-owned by Cheever Asian Growth Fund Limited which in turn is owned as to 50% by Cheung Siu Chung and 50% owned by Zhang Lan. Hence, Cheung Siu Chung and Zhang Lan are deemed to be interested in the Shares held by Newly Rich International Overseas Limited for the purpose of SFO.

GENERAL

The Group is principally engaged in (i) the operations of coal mines and gold mine in the PRC and (ii) sale of mineral products.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

DEFINITIONS

“AGM”	the annual general meeting of the Company held on 30 August 2010
“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“Company”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of up to 346,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Daily Growth Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement dated 18 January 2011 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.40 per Placing Share

“Placing Share(s)”	Up to 346,000,000 new Share(s) to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Wing Hing International (Holdings) Limited
Li Hok Yin
Chairman

Hong Kong, 18 January 2011

As at the date of this announcement, the Board comprises six directors. The executive directors are Mr. Li Hok Yin, Ms. Cheung Pak Sum and Mr. Shen Junchen. The independent non-executive directors are Mr. Chui Man Lung, Everett, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung.