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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE ENTIRE INTEREST IN A SUBSIDIARY

On 17 August 2011 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Share, which represents the entire issued share capital of China Fortune, and the Sale Loan, for an aggregate consideration of HK\$73 million.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

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Principal terms of the Agreement are set out as follows.

THE AGREEMENT

Date : 17 August 2011

Parties : (1) Vendor : Wing Hing International (Holdings) Limited
(2) Purchaser : Fu Ya Investments Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its beneficial owners are Independent Third Parties.

Assets to be disposed of

The Sale Share, representing the entire issued share capital of China Fortune, and the Sale Loan.

Consideration

The Consideration of an aggregate amount of HK\$73 million shall be satisfied by the Purchaser in the following manner:

- (a) HK\$30 million has been paid in cash upon signing of the Agreement as refundable deposit; and
- (b) HK\$43 million shall be paid in cash upon Completion.

The Consideration was negotiated between the parties at arm's length and on normal commercial terms, having regard to the audited net assets value of the PRC Subsidiary as at 31 March 2011 of approximately HK\$75.8 million.

Having considered the above and the factors described in the paragraph headed "Reasons for and benefits of the Disposal" below, the Directors are of the view that the terms of the Agreement (including the Consideration) are fair and reasonable and on normal commercial terms and in the interests of the Shareholders as a whole.

Conditions precedent

Completion shall be conditional upon on the following conditions being satisfied or waived in accordance with the Agreement.

- (a) all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong) in relation to the transactions contemplated under the Agreement having been complied with and satisfied;
- (b) the completion of the Taung Gold Acquisition; and
- (c) the Purchaser having completed the due diligence in relation to the Target Group and having notified the Vendor that the Purchaser is satisfied with the result of the due diligence.

The above conditions (a) and (b) are not waivable by the Purchaser under the Agreement. If the above conditions have not been fulfilled on or before 31 October 2011, or such later date as the Vendor and the Purchaser may agree, the Agreement shall cease and determine, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the date falling two Business Days after the fulfillment of the condition or such later date as may be agreed between the parties to the Agreement. After the Completion, China Fortune is no longer a subsidiary of the Company and the Group does not hold any interest in China Fortune.

INFORMATION ON THE TARGET GROUP

China Fortune

China Fortune was incorporated in Hong Kong and is wholly owned by the Vendor. China Fortune is principally engaged in investment holding.

The PRC Subsidiary

The PRC Subsidiary, a direct wholly-owned subsidiary of China Fortune, was established in the PRC. The major scope of business of the PRC Subsidiary includes, among other things, (i) providing certain types of guarantees for entities and individuals to obtain various kinds of financing from banks or financial institutions in Guizhou including loans, bills discounting, leases financing and project financing; (ii) providing financing consultancy services relating to the guarantees business; and (iii) making investments. The PRC Subsidiary is at the early stage of development and it has not yet contributed any profit to the Group.

The PRC Subsidiary was established after the year ended 31 March 2010. According to the financial information of China Fortune for the year ended 31 March 2010, both net loss before and after taxation of China Fortune for the year ended 31 March 2010 were approximately HK\$8,000. The net liabilities value of China Fortune as at 31 March 2010 was approximately HK\$8,000.

According to the consolidated financial information of the Target Group for the year ended 31 March 2011, the net loss before and after taxation of the Target Group for the year ended 31 March 2011 was approximately HK\$2.68 million and HK\$2.69 million respectively. The consolidated net liabilities value of the Target Group as at 31 March 2011 was approximately HK\$2.13 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the operations of gold mine and coal mines in the PRC and sale of minerals.

The Board is optimistic about the prospects of gold mining business. It is the intention and development plan of the Group to allocate its resources for the development of gold mining related business. Further, as set out in the Company's 2011 annual report and the Taung Gold Circular, the Company has undertaken to enter into agreement to dispose of 100% of the Company's business of providing guarantees to entities and individuals for obtaining bank borrowings in the PRC, and the disposal of the PRC Subsidiary.

The Directors considered that the Disposal will allow the Group to focus on its other core businesses, including but not limited to, gold mining related business. Taking into account the above, the Directors, including the independent non-executive Directors, consider that the terms of the Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the carrying amount of the investment in the Target Group and the Sale Loan, the Group estimates that the expected net loss from the Disposal (after deducting the related transaction costs) will not be more than HK\$2.5 million. The Directors consider that the Disposal does not have any significant adverse effect on the financial position of the Group.

The net proceeds from the Disposal will be approximately HK\$72.8 after deducting all transaction costs and expenses from the Consideration of HK\$73 million. The net proceeds from the Disposal will be applied as general working capital and as funds for future development of the Group when investment opportunities arise.

IMPLICATION OF THE DISPOSAL UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the sale and purchase agreement dated 17 August 2011 entered into between the Purchaser and the Vendor relating to the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“China Fortune”	China Fortune International Investments Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor
“Company”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal upon the terms set out in the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	a sum of HK\$73 million, being the aggregate consideration for the sale and purchase of the Sale Share under the Agreement and the Sale Loan
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan to the Purchaser by the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) and its(their) ultimate beneficial owner(s), if applicable, which are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“PRC Subsidiary”	貴州寶興投資擔保有限公司 (translated as Guizhou Baoxin Investment and Guaranty Co., Ltd.), a wholly foreign owned enterprise established in the PRC and wholly-owned by China Fortune
“Purchaser”	Fu Ya Investments Limited 富亞投資有限公司, an Independent Third Party
“Sale Loan”	all obligations, liabilities and debts owing or incurred by China Fortune to the Vendor as at the Completion which as at the date of the Agreement, amounted to approximately HK\$77.9 million
“Sale Share”	one (1) ordinary share in the issued share capital of China Fortune, representing the entire issued share capital of China Fortune
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	China Fortune and the PRC Subsidiary
“Taung Gold”	Taung Gold Limited, a company incorporated under the laws of the Republic of South Africa with limited liability
“Taung Gold Acquisition”	the acquisition of up to 86.97% of the issued share capital of Taung Gold subject to the terms set out in the Taung Gold Agreement
“Taung Gold Agreement”	the conditional sale and purchase agreement dated 28 January 2011 entered into by the Company, TG Sellers (as defined in the Taung Gold Circular), Mandra Materials Limited and Gold Commercial Services Limited for the acquisition of the TG Sale Shares, the Other TG Sale Shares and the Arctic Sale Shares (as respectively defined in the Taung Gold Circular), as amended by the Amendment Agreement and the Second Amendment Agreement (as defined in the Taung Gold Circular), principal details of the agreement are set out in Taung Gold Circular
“Taung Gold Circular”	the circular of the Company dated 28 July 2011 in relation to, among other things, the Taung Gold Agreement and the transactions contemplated thereunder
“Vendor”	Wing Hing International (Holdings) limited, a company incorporated under the laws of the Republic of Seychelles, a wholly-owned subsidiary of the Company

“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, 17 August 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.