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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTEREST IN BESTKIN INTERNATIONAL LIMITED AND RESUMPTION OF TRADING

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 8 February 2010 (after trading hours) the Purchaser, a wholly-owned subsidiary of the Company entered into the Acquisition Agreement with the Vendor, pursuant to which, the Purchaser conditionally agreed, among other things, to purchase and the Vendor conditionally agreed to sell the Sale Share, which represents the entire issued share capital of Bestkin and the Shareholder's Loan for an aggregate consideration of HK\$288,000,000, which will be satisfied as to (i) HK\$25,000,000 in cash as first refundable deposit upon signing of the Acquisition Agreement; (ii) HK\$20,000,000 in cash as second refundable deposit upon the Purchaser's inspection and confirmation of the extended Long Men Sou Exploration Licence and the extended San Dao Ying Exploration Licence; (iii) HK\$45,000,000 by way of the allotment and issue of 225,000,000 Consideration Shares at an issue price of HK\$0.20 per Consideration Share to the Vendor (or its nominee) upon Completion; and (iv) the balance of HK\$198,000,000 by way of the issue of the Promissory Note upon Completion. After Completion, Bestkin will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group.

The Vendor is currently the sole legal and beneficial owner of Bestkin, which is an investment holding company. Before Completion, Bestkin will complete its acquisition of 100% equity interest in the PRC Company, which will through its 100% equity interest in the Project Company, owns and holds the entire San Dao Ying Exploration Licence, San Dao Ying Exploitation Licence and Long Men Sou Exploration Licence. The shareholding structure of the Target Group is set out in the section headed "Changes in Group Structure" of this announcement.

Completion is subject to the fulfillment or waiver of certain conditions precedent as set out in the section headed "Conditions Precedent to the Acquisition Agreement" below.

LISTING RULES IMPLICATIONS

The applicable percentage ratios with respect to the Acquisition calculated by reference to Rule 14.07 of the Listing Rules are 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the announcement and Shareholders' approval at the SGM under Chapter 14 of the Listing Rules.

The SGM will be convened at which resolution(s) will be proposed to seek the approval of the Shareholders by way of poll for the transactions contemplated under the Acquisition Agreement, including, amongst other things, the Acquisition, the allotment and issue of the Consideration Shares and the issue of the Promissory Note. To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Vendor and her associates are Independent Third Parties prior to the Completion and no Shareholder has a material interest in the Acquisition. Accordingly, no Shareholders are required to abstain from voting at the SGM as required under the Listing Rules.

DELAY IN DISPATCH OF CIRCULAR

A circular containing, among other things, further details regarding (i) the transactions contemplated under the Acquisition Agreement (including the Acquisition, the allotment and issue of the Consideration Shares and the issue of the Promissory Note), together with (ii) financial information on the Target Group; (iii) the unaudited pro-forma financial information on the Enlarged Group; (iv) relevant report(s) including but not limited to the Valuation Report; and (v) a notice of the SGM, will be dispatched to the Shareholders as soon as practicable.

Pursuant to Rule 14.38A of the Listing Rules, the Circular is required to be dispatched to the Shareholders within 21 days after publication of this announcement, i.e. on or before 10 March 2010. However, it is currently expected that additional time is required for the independent valuer to be engaged by the Company to prepare the necessary valuation report for inclusion in the Circular. The Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.38A of the Listing Rules and an extension of the deadline for dispatch of the Circular. Separate announcement will be made by the Company as soon as practicable after confirmation with the valuer as to the timing of completion of the valuation report to be included in the Circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 February 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 18 February 2010.

AS THE ACQUISITION AGREEMENT IS SUBJECT TO A NUMBER OF CONDITIONS PRECEDENT, THE ACQUISITION AGREEMENT MAY OR MAY NOT BE ABLE TO BECOME UNCONDITIONAL OR BE COMPLETED, SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING WITH THE SHARES AND OTHER SECURITIES OF THE COMPANY.

INTRODUCTION

On 8 February 2010 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to, among other things, purchase and the Vendor has conditionally agreed to sell the Sale Share, which represents the entire issued share capital of Bestkin and the Shareholder's Loan for an aggregate consideration of HK\$288,000,000.

THE ACQUISITION

The Acquisition Agreement

Date: 8 February 2010 (after trading hours)

Parties:

Vendor: Ms. Wong Kei Yan

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor is (i) an Independent Third Party and (ii) not a party acting in concert (as defined under the Takeovers Code) with any substantial shareholders of the Company.

Purchaser: Longold Win Limited, a wholly-owned subsidiary of the Company

Company: the Company

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell (i) the Sale Share which represents the entire issued share capital of Bestkin, free from encumbrance and together with all rights now or hereinafter attached thereto including but not limited to all dividends and distribution declared, paid or made in respect thereof on or after the Completion Date; and (ii) the Shareholder's Loan.

The Vendor is currently the sole legal and beneficial owner of Bestkin, which is an investment holding company. Before Completion, Bestkin will complete its acquisition of the PRC Company. As a result of which, Bestkin will indirectly own 100% equity interest in the PRC Company and the Project Company, which owns and holds San Dao Ying Exploration Licence, San Dao Ying Exploitation Licence and Long Men Sou Exploration Licence. The shareholding structure of the Target Group is included under the section headed "Changes in Group Structure" of this announcement.

The Target Group

Upon Completion, Bestkin will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group.

The Consideration for the Acquisition

The aggregate consideration of HK\$288,000,000 (subject to adjustment as detailed in the subparagraph headed “Adjustments for the Consideration of the Acquisition” below) will be satisfied as to:

- (i) HK\$25,000,000 in cash upon signing the Acquisition Agreement (the “**First Refundable Deposit**”);
- (ii) HK\$20,000,000 in cash upon the Purchaser’s inspection and confirmation that the Project Company having obtained the San Dao Ying Exploration Licence and Long Men Sou Exploration Licence (the “**Second Refundable Deposit**”);
- (iii) HK\$45,000,000 by way of procuring the Company to allot and issue 225,000,000 Consideration Shares at an issue price of HK\$0.20 per Consideration Share to the Vendor (or its nominee) upon Completion; and
- (iv) the balance of HK\$198,000,000 by way of procuring the Company to issue the Promissory Note to the Vendor (or its nominee) upon Completion.

The Consideration was determined after arm’s length negotiation between the Purchaser and the Vendor taking into account (i) the valuation to be conducted by an independent valuer to be appointed by the Company, which is estimated to be not less than HK\$290,000,000 on the value of the PRC Company, the Major Licences held by the Project Company as advised by the Vendor; (ii) Completion will not take place if the valuation to be conducted by the Company on the PRC Company and/or the Major Licences held by the Project Company is less than HK\$290,000,000; and (iii) a substantial part of the Consideration (representing approximately 84.38% of the Consideration) will be satisfied by the allotment and issue of the Consideration Shares and the Promissory Note which does not require immediate cash outlays of the Company.

Based on the aforesaid, the Directors (including the independent non-executive Directors) are of the opinion that the Consideration is fair and reasonable and on normal commercial terms and that the entering into the Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

Adjustments for the Consideration of the Acquisition

The Project Company is applying for the extension of the boundary of San Dao Ying Exploration Licence and Long Men Sou Exploration Licence. Pursuant to the Acquisition Agreement, if the respective mining area of any of San Dao Ying Exploration Licence, San Dao Ying Exploitation Licence or Long Men Sou Exploration Licence is less than the following area, the amount of Consideration Shares shall, at the Purchaser’s discretion, be adjusted downward accordingly:

Licence		Mining area (sq.km.)
San Dao Ying Exploration Licence	:	15
San Dao Ying Exploitation Licence	:	2.0246
Long Men Sou Exploration Licence	:	10

Conditions precedent to the Acquisition Agreement

The Completion is conditional upon fulfillment of the following conditions having been fulfilled or waived (as the case may be):

- (i) the passing of ordinary resolution(s) at the SGM in accordance with the requirements of the Listing Rules and all other applicable laws and regulations to approve the Acquisition Agreement and the transactions contemplated thereunder including but not limited to the purchase of the Sale Share, the issue and allotment of the Consideration Shares and the issue of Promissory Note;
- (ii) the parties having obtained all necessary approvals for the Acquisition Agreement and the relevant transactions contemplated thereunder, including but not limited to the Acquisition Agreement and the allotment and issue of the Consideration Shares by the Company. Such approvals shall include any necessary approvals or consents from the shareholders of the parties, the respective holding companies of the parties, relevant government or regulatory bodies, authorities or organizations or any relevant third parties (including banks);
- (iii) the completion of due diligence and the notification of the same to the Vendor by the Purchaser, and the due diligence results shall be in full or in all material aspects satisfactory to the Purchaser but such notification of the same shall not in any form or substance affect the right of the Purchaser to claim against the Vendor regarding any warranties given by the Vendor under the Acquisition Agreement;
- (iv) the Vendor having delivered both the Certificate of Incumbency and the Certificate of Good Standing in respect of the Bestkin to the Purchaser and such certificates should not be dated earlier than 7 days before the Completion Date;
- (v) the Purchaser having obtained a written legal opinion issued by a PRC legal adviser approved by the Purchaser confirming (i) the respective legal status and scopes of business of each of the PRC Company and the Project Company; and (ii) the fact that the Project Company beneficially owned San Dao Ying Exploration Licence, San Dao Ying Exploitation Licence and Long Men Sou Exploration Licence and the form, contents and substance of which shall be satisfied by the Purchaser at its absolute discretion;
- (vi) any transactions contemplated under the Acquisition Agreement shall comply with and conform to all relevant regulatory requirements (including, but not limited to, the Listing Rules and any regulatory requirements in Hong Kong);
- (vii) the respective warranties given by the Vendor and the Purchaser being true and accurate in all material respects;
- (viii) all agreements, obligations and conditions required to be executed or complied with under the Acquisition Agreement having been so executed or complied with by each of the Purchaser, the Vendor and every member of the Target Group respectively on or before Completion;
- (ix) for any time during the period from the date of the Acquisition Agreement up to and including the date of Completion, the listing status of the Company on the Stock Exchange and any other stock exchange having not been suspended and revoked;

- (x) the Purchaser having received a valuation report in form and substance satisfactory to the Purchaser issued by an independent professional valuer acceptable to the Purchaser stating that the value of the PRC Company and/or the value of the Major Licences being not less than HK\$290,000,000;
- (xi) the Project Company or the PRC Company having signed service contract with the senior management of the Mines;
- (xii) the completion of the Reorganization by the Target Group;
- (xiii) the renewal of the San Dao Ying Exploitation Licence for further 5 years upon expiration of the current term; and
- (xiv) the Vendor having obtained all necessary approval from the government in relation to the completion of boundary extension of San Dao Ying Mine and Long Men Sou Mine which will be stipulated in the San Dao Ying Exploration Licence and Long Men Sou Exploration Licence respectively.

The Purchaser has the right to waive all of the above conditions in part or in full, except conditions numbered (i), (ii), (vi), (x), (xii) and (xiii) which cannot be waived. In the event that the above conditions are not fulfilled (or as the case may be, waived by the Company) on or before 31 December 2010 (or such later date as the Vendor and the Purchaser may agree in writing), the Acquisition Agreement shall cease and terminate and neither party shall have any obligations towards each other save for any antecedent breaches thereof and the Vendor shall forthwith refund the First Refundable Deposit and Second Refundable Deposit within three days thereafter. The Directors confirm that as at the date of this announcement, none of the above conditions have been fulfilled and the Company has no intention to waive any of the above conditions.

Completion

Completion shall take place on the 7th day after the fulfillment or waiver of the conditions precedent of the Acquisition Agreement (or such other date as may be agreed between the parties to the Acquisition Agreement).

Consideration Shares

Pursuant to the Acquisition Agreement, HK\$45,000,000 out of the Consideration is to be satisfied by the allotment and issue of the Consideration Shares at the issue price of HK\$0.20 by the Company to the Vendor and/or its nominees (as the Vendor may direct) upon Completion.

The issue price of HK\$0.20 was arrived at after arm's length negotiations between the Purchaser and the Vendor, after taking into account of the prevailing market price of the Shares and the recent condition of the financial market in Hong Kong.

The issue price of HK\$0.20 per Consideration Share represents:

- (i) a discount of approximately 3.38% to the closing price of the Shares of HK\$0.207 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a premium of approximately 7.53% to the average of the closing price of approximately HK\$0.186 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 6.38% to the average of the closing price of approximately HK\$0.188 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 21.21% to the consolidated net asset value of the Group of approximately HK\$0.165 per Share as at 30 September 2009 (based on the unaudited consolidated net asset value of the Group of approximately HK\$267.04 million as at 30 September 2009 and 1,619,240,000 issued Shares as at the date of this announcement.

Based on the closing price of HK\$0.207 per Share as quoted on the Stock Exchange on the Last Trading Day, the total value of the Consideration Shares was approximately HK\$46,575,000.

The Consideration Shares comprising 225,000,000 Shares, represent (i) approximately 13.90% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.20% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

The Consideration Shares, when issued upon Completion, will rank pari passu in all respects with the existing Shares then in issue. There will be no restriction on the subsequent sale of the Consideration Shares. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued upon Completion.

Promissory Note

The terms of the Promissory Note are determined based on commercial negotiations between the Purchaser and the Vendor and the principal terms of which are summarised below:

Issuer	:	the Company
Principal amount	:	HK\$198,000,000
Interest rate	:	1% per annum
Maturity date	:	A fixed term of 5 years from the date of issue of the Promissory Note
Early redemption	:	the Company could, at its option, repay all or any part of the outstanding principal amount of the Promissory Note by giving not less than 10 Business Day's prior written notice to the noteholder, commencing from the date of the Promissory Note up to the date immediately prior to the maturity date
Assignment	:	the Promissory Note may be transferred or assigned by the holder of the Promissory Note to any party other than a connected person of the Company in multiples of HK\$10,000,000

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming (i) no Shares will be issued and/or repurchased by the Company from the date of this announcement up to Completion; and (ii) a total of 225,000,000 Consideration Shares will be issued upon Completion, the shareholding structures of the Company as at the date of this announcement, immediately after the issue and allotment of the Consideration Shares are as follows:

	Existing Shareholding	Approximate %	Shareholding immediately after the issue and allotment of the Consideration Shares	Approximate %
Cheever Capital Management (Asia) Limited (<i>Note 1</i>)	168,000,000	10.38	168,000,000	9.11
Newly Rich International Overseas Limited (<i>Note 2</i>)	<u>163,800,000</u>	<u>10.11</u>	<u>163,800,000</u>	<u>8.88</u>
Sub-total	331,800,000	20.49	331,800,000	17.99
Vendor	—	—	225,000,000	12.20
Public Shareholders	<u>1,287,440,000</u>	<u>79.51</u>	<u>1,287,440,000</u>	<u>69.81</u>
Total	<u><u>1,619,240,000</u></u>	<u><u>100.00</u></u>	<u><u>1,844,240,000</u></u>	<u><u>100.00</u></u>

Notes:

1. The 168,000,000 existing Shares were held by Cheever Capital Management (Asia) Limited. Cheever Capital Management (Asia) Limited is wholly-owned by Cheung Siu Chung. By virtue of his interest in Cheever Capital Management (Asia) Limited, Cheung Siu Chung is deemed to be interested in such 168,000,000 Shares held by Cheever Capital Management (Asia) Limited for the purpose of SFO.
2. The issued share capital of Newly Rich International Overseas Limited is owned as to 50% by Heung Kit Ha and 50% of Liu Pui Lan.

INFORMATION ON THE TARGET GROUP AND THE MINES

Target Group

The following are brief particulars of companies of the Target Group based on the representations, information and material provided by the Vendor to the Company.

Bestkin

Bestkin, incorporated in the BVI with limited liability on 5 January 2010, is wholly and beneficially owned by the Vendor. Bestkin is an investment holding company and since the date of its incorporation up to the date of this announcement, Bestkin has recorded no revenue and no profit.

Bestkin was incorporated for the purpose of the Acquisition, which is the holding company of New Famous as at the date of this announcement.

New Famous

New Famous, incorporated in Hong Kong with limited liability on 16 October 2009, is wholly owned by Bestkin. New Famous has agreed to acquire and Mr. Li has agreed to transfer the entire registered capital of the PRC Company to New Famous. As a result of such transfer, New Famous will own the entire equity interest of the PRC Company.

As at the date of this announcement, New Famous has no other major assets or investment. Since the date of its incorporation up to the date of this announcement, New Famous has recorded no revenue and profit.

The PRC Company

The PRC Company is a company established on 5 March 2009 in the PRC with limited liability and is principally engaged in provision of mining management services in the PRC. As at the date of this announcement, the sole shareholder and the legal representative of the PRC Company is Mr. Li.

New Famous has agreed to acquire and Mr. Li has agreed to sell the entire registered capital of the PRC Company and upon completion of the transfer and all formalities in relation to the share transfer, the entire registered capital of the PRC Company will be transferred to New Famous and the nature of the PRC Company will change from a domestic company to a WFOE.

Upon completion of the Long Men Sou Agreement, the PRC Company shall own the entire Long Men Sou Exploration Licence and be entitled to lease the existing plant, office, equipment and quarters at the Long Men Sou Mine for a term of 5 years at a total rental of RMB1,000.

Upon completion of the San Dao Ying Agreement, the PRC Company shall own the entire San Dao Ying Exploration Licence and San Dao Ying Exploitation Licence and be entitled to lease the existing plant, office, equipment and quarters at the San Dao Ying Mine for a term of 5 years at a total rental of RMB1,000.

Since the date of its incorporation up to the date of this announcement, the PRC Company has recorded no revenue and profit.

The Project Company

The Project Company is a company established on 6 February 2010 in the PRC with limited liability. Upon completion of the Reorganization, the share capital of the Project Company will be wholly owned by the PRC Company. Since the date of its incorporation up to the date of this announcement, the Project Company has recorded no revenue and profit.

The Vendor has represented in the Acquisition Agreement that since its establishment and as at the date of the Acquisition Agreement, the Target Group has not carried on and is not carrying on any business, other than the holding of its interests in the Major Licences.

Information on the Mines

The following are brief particulars of the Mines prepared for the purpose of this announcement and based on the representations, information and material provided by the Vendor to the Company.

San Dao Ying Mine

The San Dao Ying Mine is located at the downstream of Heihe River, the branch of Chaobai River and its main mineralization lot, ore band 1 is located at the second terrace at the south bank of Heihe River, Hebei Province, the PRC, situated on longitude 116° 22' 57" east and latitude 40° 47' 03" north. The San Dao Ying Mine, currently with a mining area of approximately 2.0246 sq.km. and can be accessed by highway.

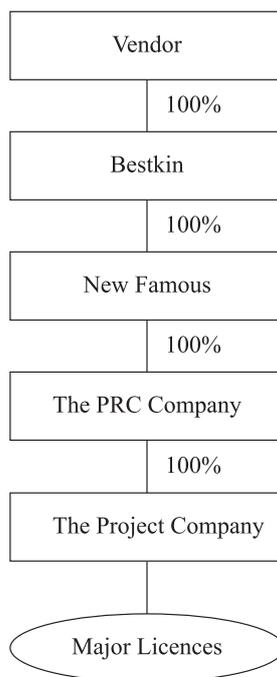
Long Men Sou Mine

The Long Men Sou Mine is located at Long Men District of the Chicheng County, Hebei Province, the PRC (赤城縣龍門所鎮金礦). The Long Men Sou Mine is currently with a mining area of approximately 0.3611 sq.km. and can be accessed by highway.

CHANGES IN GROUP STRUCTURE

The following charts show the group structure of Target Group (i) immediately after the completion of the Reorganization but before the Completion and (ii) immediately after the Completion:

(i) Immediately after the completion of the Reorganization but before the Completion



(ii) Immediately after the Completion



RISK FACTORS

Set out below are the risk factors which may be associated with the Acquisition:

Fluctuation in the price and demand of gold

The Directors consider that the price of gold in the PRC is highly influenced by the price of gold in the international market (which is denominated in the US\$) and the exchange rate of the US\$ to RMB. The Directors consider that there are many factors influencing the price and demand of gold in the international market, including the international economic situation, petroleum prices and fluctuation in the exchange rates of the US dollars, fluctuation in the stock and other financial investment markets and various political, military, social and economic contingencies, which are beyond the control of the Group. There is a possibility that the prices of commodities may fall to lower levels and the future price movement of gold (whether upward or downward) are unpredictable as at this moment.

Uncertainties in the results of exploration for resources

Resources and reserves are non-renewable and the exploration of new and potential resources is crucial to a mining enterprise such as Bestkin. In addition, exploration of mineral resources is speculative in nature, and substantial expenses/costs may be incurred from initial drilling to production. There is no assurance that exploration performed by the Target Group can lead to discovery of economically feasible reserves.

The PRC Government regulations on the gold mining industry

The mining production of the Target Group is subject to various government policies and regulations relating to exploration, development, production, taxation, labour standards, vocational health and safety, waste treatment, environment monitoring, protection and control, operation management and other problems. Any changes to these policies may increase the operating costs of the Target Group and hence, adversely affecting the operating results of the Group upon completion of the Acquisition Agreement.

Mining rights

Under the “Mineral Resources Law” of the PRC, all mineral resources of the PRC are owned by the State. Despite the fact that the Project Company has acquired the Major Licences from the original owners for conducting mining activities in the Mines during the licensed period and is in the process of (i) the extending the boundary of both the San Dao Ying Exploration Licence and the Long Men Sou Exploration Licence; and (ii) renewing the San Dao Ying Exploitation Licence for a further term of 5 years, there is no assurance that the Target Group will be able to obtain the exploitation and exploration licenses in order to exploit the entire mineral resources of the Mines. If the Target Group fails to renew the San Dao Ying Exploitation Licence or it cannot effectively utilize the Mineral Resources within the licensed period, the operation and financial performance of the Target Group (hence the Group) will be adversely affected.

Valuation of the PRC Company and/or the Major Licences

It is anticipated that the estimated value of the PRC Company and/or the Major Licences to be stated in the Valuation Report would be arrived at based on a number of assumptions on principal factors and variables, including, but not limited to, the growth rates of gold prices in the future, which may prove to deviate from the actual condition of the Mines, and would be beyond the Company's control. As a result, the actual amount of Mineral Resources derived from the Mines may deviate materially from the amount to be estimated in the Valuation Report.

Environmental Protection Policies

The mining and exploration business is subject to PRC environmental protection law and regulations. If the Group fails to comply with existing or future environmental laws and regulations, the Group may be required to take remedial measures, which could have a material adverse effect on the business, operations, financial condition and results of operation of the Group.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the operation of coal mines and leasing of mining licences in the PRC.

Prior to the signing of the Acquisition Agreement, the Company has conducted a site visit to the Long Men Sou Mine and San Dao Ying Mine. The Company has also reviewed the geographical report and the exploration design report of San Dao Ying Mine. The Company will appoint a team of professional parties including legal advisers (both Hong Kong and the PRC), auditors and an independent valuer to provide report(s) including a draft valuation report on the PRC Company and/or the Major Licences so as to facilitate the Company's assessment on the Acquisition.

Though there is no track record of operation of both of the Target Group, the Target Group holds the Major Licences which allow it to conduct exploration and mining activities in the Mines during the licensed period. Furthermore, as one of the conditions precedent to Completion, the Purchaser will receive a valuation report stating that the value of the PRC Company and/or the Major Licences being not less than HK\$290,000,000. The conditions precedent, including but not limited to having completed a due diligence review of the legal and financial aspects of the Target Group at the Purchaser's absolute satisfaction and obtaining of a legal opinion issued by a PRC lawyer in the form and substance satisfactory to the Purchaser, which to be fulfilled before the Completion takes place.

Despite the dilution effect as a result of the issue of Consideration Shares (details are set out in the section headed "Effect on Shareholding Structure of the Company" above), taking into account that (i) the allotment and issue of the Consideration Shares would not create any cash outlay to the Group immediately upon Completion; and (ii) the Acquisition may improve the financial performance of the Group in the future, the Board considers that the possible dilution effect on the Shareholders is acceptable.

Nevertheless, having considered that the Group may be posed with certain inevitable risks due to the Acquisition (details of which are set out under the section headed "Risk factors" above), after balancing the risks associated with the Acquisition and the prospects of the Target Group, the Board is of the view that the terms of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The applicable percentage ratios with respect to the Acquisition, where appropriate, calculated by reference to Rule 14.07 of the Listing Rules, are 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened at which resolution(s) will be proposed to seek the approval of the Shareholders by way of poll for the transactions contemplated under the Acquisition Agreement, including, amongst other things, the Acquisition, the allotment and issue of the Consideration Shares and the issue of the Promissory Note. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Vendor and her associates are Independent Third Parties prior to the Completion and no Shareholder has a material interest in the Acquisition. Accordingly, no Shareholders are required to abstain from voting at the SGM as required under the Listing Rules.

GENERAL AND DELAY IN DISPATCH OF CIRCULAR.

A circular containing, among other things, further details regarding (i) the transactions contemplated under the Acquisition Agreement (including the issue of the Consideration Shares and the Promissory Note), together with (ii) financial information on the Target Group; (iii) the unaudited pro-forma financial information on the Group as enlarged by the Acquisition; (iv) relevant report(s) including but not limited to the Valuation Report; and (v) a notice of the SGM, will be dispatched to the Shareholders as soon as practicable.

Pursuant to Rule 14.38A of the Listing Rules, the Circular is required to be dispatched to the Shareholders within 21 days after publication of this announcement, i.e. on or before 10 March 2010. However, it is currently expected that additional time is required for the independent valuer to be engaged by the Company to conduct the necessary valuation report for inclusion in the Circular. The Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.38A of the Listing Rules and an extension of the deadline for dispatch of the Circular. Separate announcement will be made by the Company as soon as practicable after confirmation with the valuer as to the timing of completion of the valuation report to be included in the Circular.

As completion of the Acquisition is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 February 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 18 February 2010.

AS THE ACQUISITION AGREEMENT IS SUBJECT TO A NUMBER OF CONDITIONS PRECEDENT, THE ACQUISITION AGREEMENT MAY OR MAY NOT BE ABLE TO BECOME UNCONDITIONAL OR BE COMPLETED, SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING WITH THE SHARES AND OTHER SECURITIES OF THE COMPANY.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of the Sale Share and the Shareholder’s Loan by the Purchaser from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 8 February 2010 entered into among the Company, the Purchaser and the Vendor in respect of the Acquisition
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Bestkin”	Bestkin International Limited (卓建國際有限公司), a company incorporated in the BVI and is wholly-owned by the Vendor as at the date of the Acquisition Agreement
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday and Sunday) on which banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“Company”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	the completion of the Acquisition Agreement in accordance with the terms thereof
“Completion Date”	the 7th day after the fulfillment or waiver of the conditions precedent of the Acquisition Agreement (or such other date as may be agreed between the parties to the Acquisition Agreement)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$288,000,000 for the Sale Share and the Shareholder’s Loan payable by the Purchaser to the Vendor for the Acquisition pursuant to the Acquisition Agreement
“Consideration Share(s)”	225,000,000 new Share(s) to be allotted and issued to Vendor (or its nominee(s)) by the Company on Completion as part of the consideration of the Acquisition
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group immediately after the Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Last Trading Day”	8 February 2010, being the last trading day on which the Shares were traded on the Stock Exchange prior to suspension of trading in the Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Men Sou Agreement”	the acquisition agreement entered into between the PRC Company as buyer and Mr. Wang as seller dated 28 May 2009 and a supplemental agreement entered into among the PRC Company, Mr. Wang and the Project Company dated 8 February 2010, pursuant to which, the PRC Company shall (i) acquire the entire Long Men Sou Exploration Licence at a consideration of RMB6,400,000 and (ii) lease the existing plant, office, equipment and quarters at the Long Men Sou Mine for a term of 5 years at a total rental of RMB1,000
“Long Men Sou Exploration Licence”	the exploration licence, which stipulates the boundary of Long Men Sou Mine shall be not less than 10 sq.km. and a term of not less than 3 years, for conducting the exploration activities at Long Men Sou Mine
“Long Men Sou Mine”	the gold mine located at Long Men District of the Chicheng County, Hebei Province, the PRC (赤城縣龍門所鎮金礦) which is subject to the Long Men Sou Exploration Licence
“Major Licences”	Long Men Sou Exploration Licence, San Dao Ying Exploration Licence and San Dao Ying Exploitation Licence
“Mineral Resources”	mineral resources containing in the Mines
“Mines”	the Long Men Sou Mine and San Dao Ying Mine
“Mr. Li”	Mr. Li Fo An (李佛安), the holder and legal representative of the entire registered capital of the PRC Company as at the date of this announcement
“Mr. Wan”	Mr. Wan Bing-Lin (溫炳麟), the holder of the San Dao Ying Exploration Licence and the San Dao Ying Exploitation Licence as at the date of this announcement
“Mr. Wang”	Mr. Wang Shu-Wei (王樹偉), the holder of the Long Men Sou exploitation licence as at the date of this announcement
“New Famous”	New Famous Development Limited (樂豐發展有限公司), a company incorporated in Hong Kong and is wholly-owned by Bestkin as at the date of the Acquisition Agreement
“PRC”	The People’s Republic of China

“PRC Company”	貴州寶興礦業管理有限公司 (Gui Zhou Baoxing Mining Management Company Limited*), a company established in the PRC on 5 March 2009 as a domestic limited company which, immediately upon completion of the Reorganization, will be wholly-owned by New Famous
“Project Company”	赤城縣佛安礦業產品有限公司 (Chi Cheng County Faton Mining Products Company Limited*), a company established in the PRC on 6 February 2010 with limited liability which, immediately upon completion of the Reorganization, will be wholly-owned by the PRC Company
“Promissory Note”	the promissory note with a principal sum of HK\$198,000,000 to be executed by the Company in favour of the Vendor for the purpose of settling partially the Consideration
“Purchaser”	Longold Win Limited, a wholly owned subsidiary of the Company
“Reorganization”	the reorganization of the Target Group which involve (i) the acquisition of the entire registered capital of the PRC Company by New Famous; (ii) the completion of all formalities, including but not limited to obtaining consents from all PRC government approvals relating to the acquisition of the PRC Company and business registration of the PRC Company as a WFOE at the relevant PRC authorities; (iii) the completion of the transactions contemplated in the Long Men Sou Agreement and the San Dao Ying Agreement; and (iv) the completion of transfer of the Major Licences to the Project Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	1 share of US\$1.00 each in the issued share capital of Bestkin, representing the entire issued share capital of Bestkin as at the date of the Acquisition Agreement
“San Dao Ying Agreement”	the acquisition agreement entered into between the PRC Company as buyer and Mr. Wan as seller dated 25 May 2009 and a supplemental agreement entered into among the PRC Company, Mr. Wan and the Project Company dated 8 February 2010, pursuant to which, the PRC Company shall (i) acquire the entire San Dao Ying Exploration Licence and San Dao Ying Exploitation Licence at a consideration of RMB38,500,000 and (ii) lease the existing plant, office, equipment and quarters at the San Dao Ying Mine for a term of 5 years at a total rental of RMB1,000
“San Dao Ying Exploitation Licence”	the exploitation licence for conducting mining activity at San Dao Ying Mine

“San Dao Ying Exploration Licence”	the exploration licence, which stipulates the boundary of San Dao Ying Mine shall be not less than 15 sq.km. and a term of not less than 3 years, for conducting the exploration activities at San Dao Ying Mine
“San Dao Ying Mine”	the gold mine located at the downstream of Heihe River, the branch of Chaobai River and its main mineralization lot, ore band 1 is located at the second terrace at the south bank of Heihe River, Hebei Province, the PRC which is subject to the San Dao Ying Exploration Licence and San Dao Ying Exploitation Licence
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving, among other things, (i) the Acquisition Agreement and the transactions contemplated thereunder and (ii) the allot and issue of the Consideration Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the full amount of the shareholder’s loan owned by Bestkin to the Vendor as at the Completion Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code of Takeovers and Mergers
“Target Group”	Bestkin and its subsidiaries upon completion of the Reorganization, including New Famous, the PRC Company and the Project Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Report”	a valuation report on the Mines as prepared by an independent valuer, details of which will be included in the circular to be dispatched to the Shareholder
“Vendor”	Ms. Wong Kei Yan
“WFOE”	wholly- foreign owned enterprises in the PRC
“km”	Kilometres
“sq.km.”	Square km

“%” or “per cent” percentage

By order of the Board
Wing Hing International (Holdings) Limited
Leung Pui Kwan
Chairman

Hong Kong, 17 February 2010

As at the date of this announcement, the Board comprises of nine directors. The executive directors are Ms. Leung Pui Kwan, Dr. Peter He, Mr. Shen Junchen, Mr. Hon Chi Shun and Mr. Li Hok Yin. The non-executive director of the Company is Ms. Yuen Sau Ying, Christine. The independent non-executive directors of the Company are Mr. Hui Wah Tat, Anthony, Mr. Li Kam Chung and Mr. Chan Kam Fuk.

* *In this announcement, the English names of the PRC entities are translation of their Chinese names and included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*