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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

ISSUE OF UNLISTED WARRANTS UNDER GENERAL MANDATE

The Board is pleased to announce that on 26 February 2010 (after trading hours), the Company entered into the Warrant Subscription Agreement with the Subscriber, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for 323,848,000 Warrants at the Issue Price of HK\$0.001 per Warrant. Each of the Warrants carries the right to subscribe for one Warrant Share at the initial Exercise Price of HK\$0.16 per Warrant Share during a period of 5 years commencing from (and inclusive of) the date of issue of the Warrants. The Warrant Shares will be issued under the New General Mandate.

As at the date of this announcement, the Company has a total of 1,619,240,000 Shares in issue. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the Exercise Price, upon the full exercise of the subscription rights attaching to the Warrants, 323,848,000 Warrant Shares will be issued, which represent 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital as enlarged by the issue of the Warrant Shares.

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares on the Stock Exchange.

The net proceeds from the Warrant Subscription are approximately HK\$300,000, which will be used as the general working capital of the Group. Any additional proceeds from the issue of the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants in future up to a maximum amount of approximately HK\$51.82 million will be applied as the general working capital and as funds for future development of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants, the total net funds to be raised, including the funds raised by the Warrant Subscription, are approximately HK\$52.10 million.

THE WARRANT SUBSCRIPTION AGREEMENT

Date

26 February 2010 (after trading hours)

Parties

- (1) the Company; and
- (2) the Subscriber

Information on the Subscriber

The Subscriber is Orient Best Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the entire share capital of which is legally and beneficially owned by Mr. Chau.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and Mr. Chau, its ultimate beneficial owner, are Independent Third Parties.

Securities to be issued

Subject to the fulfillment of the conditions to the Warrant Subscription Agreement, the Company agreed to issue and the Subscriber agreed to subscribe for 323,848,000 Warrants at the Issue Price. Each of the Warrants carries the right to subscribe for one Warrant Share at the Exercise Price of HK\$0.16 per Warrant Share (subject to adjustment pursuant to the Instrument).

Conditions

Completion of the Warrant Subscription Agreement is subject to the fulfillment of the following conditions:

- (i) if required, the Listing Committee having approved the issue of the Warrants either unconditionally or subject to such conditions to which both the Company and the Subscriber shall reasonably accept; and
- (ii) the Listing Committee having granted the listing of, and permission to deal in, the Warrant Shares either unconditionally or subject to such conditions to which both the Company and the Subscriber shall reasonably accept, and such permission and listing not subsequently being revoked or withdrawn prior to Completion.

In the event that any of the above conditions is not fulfilled on or before 28 June 2010 (or such later date as may be agreed between the Company and the Subscriber), the Warrant Subscription Agreement and all rights and obligations thereunder will cease and terminate and neither of the parties to the Warrant Subscription Agreement will have any claim against the other for costs, damages, compensation or otherwise except for any antecedent breach.

Completion

Completion shall take place as soon as possible following the satisfaction of the conditions above and in any event not later than 5 Business Days immediately following the satisfaction of the conditions above (or such other date as the Company and the Subscriber may agree).

PRINCIPAL TERMS OF THE WARRANTS

Number of Warrants

Pursuant to the Warrant Subscription Agreement, the Company agreed to issue 323,848,000 Warrants to the Subscriber in registered form and constituted by the Instrument on Completion.

The Warrants will rank pari passu in all respects among themselves.

Issue Price

The Issue Price is HK\$0.001 per Warrant. The net issue price per Warrant, after deduction of relevant expenses, is approximately HK\$0.001.

Number of Warrant Shares issuable

As at the date of this announcement, the Company has a total of 1,619,240,000 Shares in issue. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the Exercise Price, upon the full exercise of the subscription rights attaching to the Warrants, 323,848,000 Warrant Shares will be issued, which represent 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital as enlarged by the issue of the Warrant Shares.

Exercise Price

Each Warrant carries the right to subscribe for one Warrant Share at the Exercise Price of HK\$0.16 per Warrant Share.

The Exercise Price of HK\$0.16 represents:

- (i) a discount of approximately 14.44% to the closing price of HK\$0.1870 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 10.91% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last five consecutive trading days preceding the Last Trading Day of approximately HK\$0.1796;
- (iii) a discount of approximately 12.67% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last ten consecutive trading days preceding the Last Trading Day of approximately HK\$0.1832; and
- (iv) a premium of approximately 5.61% to the net asset value per Share of approximately HK\$0.1515 as at 30 September 2009 (based on the latest unaudited net assets of the Group as of 30 September 2009 published on the Stock Exchange's website and the number of issued Shares as at the date of this announcement).

The Exercise Price is subject to normal adjustments in the events of share consolidation and subdivision of the Company and such adjustments will be certified by the auditors of the Company or an approved merchant bank.

Both the Issue Price and the Exercise Price are determined after arm's length negotiations between the Company and the Subscriber, taking into account the recent trading prices of the Shares. The Board is of the opinion that the Issue Price and the Exercise Price are fair and reasonable and in the best interest of the Company.

Exercise Period

The subscription rights attaching to the Warrants can be exercised at any time during a period of 5 years commencing from the date of issue of the Warrants.

Listing

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares on the Stock Exchange.

Ranking of the Warrant Shares

The Warrant Shares, when issued and fully paid, will rank pari passu in all respects with the existing issued Shares as at the date of allotment.

Transferability

The Warrants are transferable in whole amount or in part in integral multiples of the Exercise Price of the Warrants provided that no transfer of the Warrants to connected persons (as defined in the Listing Rules) shall be allowed without the prior approval of the Company and the Stock Exchange.

Voting rights of the Warrants

The holder(s) of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants. The holder(s) of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

GENERAL MANDATE TO ISSUE THE WARRANT SHARES

The Warrant Shares will be issued pursuant to the New General Mandate. Immediately prior to entering into the Warrant Subscription Agreement, the New General Mandate had not been utilized, thus the maximum number of new Shares which could be issued under the New General Mandate was 323,848,000 Shares (not exceeding 20% of the aggregate nominal amount of the total issued share capital of the Company of 1,619,240,000 Shares as at the date of the SGM). The Warrant Subscription is not subject to any Shareholders' approval.

REASONS FOR THE ISSUE OF WARRANTS AND USE OF PROCEEDS

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

The net proceeds from the Warrant Subscription are up to approximately HK\$300,000, which will be used as the general working capital of the Group. Any additional proceeds from the issue of the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants in future up to a maximum amount of approximately HK\$51.82 million will be applied as the general working capital and as funds for future development of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants, the total net funds to be raised, including the funds raised by the Warrant Subscription, are approximately HK\$52.10 million. The net price to the Company of each Warrant, which is calculated by dividing the aggregate net proceeds from the Warrant Subscription and the exercise of the subscription rights attaching to the Warrants by the total number of the Warrants, is approximately HK\$0.1608.

The Directors also consider that the Warrant Subscription Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Subscriber and that the terms of the Warrant Subscription Agreement (including the Issue Price and the Exercise Price of the Warrants) are fair and reasonable so far as the interests of the Company and its Shareholders as a whole are concerned. The Directors also consider that the issue of the Warrants to the Subscriber would attract the desirous funding for business development and would provide the Group with an opportunity to raise further funds when the Subscriber exercises the subscription rights attaching to the Warrants.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 1,619,240,000 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the subscription rights attaching to the Warrants (assuming that there will be no further changes in the issued share capital of the Company prior to such exercise and no adjustment to the Exercise Price) are as follows:

	As at the date of this announcement		Immediately after the full exercise of the subscription rights attaching to the Warrants	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Cheever Capital Management (Asia) Limited (<i>Note 1</i>)	168,000,000	10.38	168,000,000	8.65
Newly Rich International Overseas Limited (<i>Note 2</i>)	<u>163,800,000</u>	<u>10.12</u>	<u>163,800,000</u>	<u>8.43</u>
Sub-total	331,800,000	20.50	331,800,000	17.08
Subscriber	—	—	323,848,000	16.67
Public Shareholders	<u>1,287,440,000</u>	<u>79.50</u>	<u>1,287,440,000</u>	<u>66.25</u>
Total	<u><u>1,619,240,000</u></u>	<u><u>100.00</u></u>	<u><u>1,943,088,000</u></u>	<u><u>100.00</u></u>

Notes:

1. The 168,000,000 existing Shares are 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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
10 August 2009	Issue and allotment of Shares to two subscribers	HK\$19.95 million	Intended to be used as general working capital of the Group	All of the net proceeds has been used as general working capital of the Group
25 September 2009	Issue and allotment of Shares to a subscriber	HK\$21 million	Intended to be used to finance the Company's future potential investments if suitable opportunities arise	All of the net proceeds will be used as intended
16 November 2009	Proposed open offer of 46,264,000 offer shares	HK\$79.8 million	Intended to be used to finance the possible acquisition as announced on 7 October 2009 (the "First Acquisition"), or, if the First Acquisition is not materialized, be used as general working capital of the Company	Part of the proceeds in the sum of HK\$25 million has been used as refundable deposit in a proposed acquisition announced on 17 February 2010, whilst the Company is still in the course of negotiation for the First Acquisition. Save as aforesaid, the net proceeds from the open offer will be used as intended.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issue share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, save for options which may be granted under the share option scheme of the Company adopted on 4 January 2010, there are no securities with subscription rights outstanding and not yet exercised. Assuming (i) full exercise of the subscription rights

attaching to the Warrants at the initial Exercise Price of HK\$0.16; and (ii) no Shares are further issued and repurchased, 323,848,000 Warrant Shares will be issued, representing (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all of the Warrant Shares. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday) on which banks generally are open for business in Hong Kong throughout their normal business hours
“Company”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Warrant Subscription Agreement
“Director(s)”	the director(s) of the Company
“Exercise Price”	an initial exercise price of HK\$0.16 per Warrant Share (subject to adjustment) at which holder(s) of the Warrants may subscribe for the Warrant Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is/are third party(ies) not being connected person(s) (as defined in the Listing Rules) and is/are independent of and not connected with the Company, any of the directors, chief executives and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Instrument”	the deed poll constituting the Warrants to be executed by the Company on Completion
“Issue Price”	HK\$0.001 per Warrant
“Last Trading Day”	26 February 2010, being the last trading day of the Shares on which the Warrant Subscription Agreement was entered into
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chau”	Mr. Chau Shing Yim, David, an Independent Third Party

“New General Mandate”	the general mandate granted to the Directors by the resolution of the Shareholders passed at the SGM to allot, issue and deal with Shares and to make or grant offers, agreements and options which may require Shares to be issued, allotted or dealt with, which is subject to the limited of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the SGM (i.e. 323,848,000 Shares)
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company held on 4 January 2010
“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
“Subscriber”	Orient Best Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, an Independent Third Party
“Warrant(s)”	323,848,000 unlisted warrants to be issued by the Company at the Issue Price, each entitles the holder thereof to subscribe for one Warrant Share at the Exercise Price (subject to adjustment pursuant to the Instrument) at any time during a period of 5 years commencing from the date of issue of the Warrants
“Warrant Shares”	the 323,848,000 new Shares to be issued by the Company upon the full exercise of the subscription rights attaching to the Warrants
“Warrant Subscription”	the subscription for the Warrants by the Subscriber at the Issue Price pursuant to the Warrant Subscription Agreement
“Warrant Subscription Agreement”	the conditional warrant subscription agreement dated 26 February 2010 entered into between the Subscriber and the Company in relation to the Warrant Subscription
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 26 February 2010

As of the date of this announcement, the Board comprises seven Directors. The executive directors of the Company are Ms. Leung Pui Kwan, Mr. Shen Junchen 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.