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## **WING HING INTERNATIONAL (HOLDINGS) LIMITED**



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 621)**

### **SECOND SUPPLEMENTAL AGREEMENT FOR THE DISCLOSEABLE TRANSACTION REGARDING ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN BESTKIN INTERNATIONAL LIMITED AND COMPLETION OF THE ACQUISITION**

Reference is made to the Announcements in relation to, among other things, the entering into of the Acquisition Agreement among the Purchaser, the Vendor and the Company in respect of the Acquisition.

The Board announces that upon further negotiations among the parties to the Acquisition Agreement, the Purchaser, the Vendor and the Company entered into the Second Supplemental Agreement to amend certain terms of the Acquisition Agreement on 2 July 2010.

Details of the amendments to the terms of the Acquisition Agreement are set out in the section headed “Second Supplemental Agreement” below.

The Board also announces that the market value of Long Men Sou Mine as at 31 March 2010 based on the Valuation Report was RMB140 million and the Acquisition was completed on 2 July 2010.

Reference is made to the announcements of the Company dated 17 February 2010 and 14 May 2010 (the “**Announcements**”) in relation to, among other things, the entering into of the Acquisition Agreement among the Purchaser and the Vendor in respect of the Acquisition. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as those defined in the Announcements.

## INTRODUCTION

On 8 February 2010 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the acquisition agreement (as amended by the First Supplemental Agreement) (collectively 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\$88,000,000.

The Vendor is currently the sole legal and beneficial owner of Bestkin, which is an investment holding company. Pursuant to the Acquisition Agreement, the Completion is conditional upon the fulfilment or waiver of nine conditions. Up to the date of this announcement, two of the conditions under the Acquisition Agreement, including the condition relating to the valuation of Long Men Sou Mine, have been fulfilled. Upon further negotiations among the parties to the Acquisition Agreement, the parties under the Acquisition Agreement entered into the Second Supplemental Agreement on 2 July 2010, pursuant to which the remaining seven conditions precedent shall be changed to conditions subsequent to the Completion and the date of payment of the remaining consideration of HK\$53,000,000 shall be postponed to the Extended Date.

## THE SECOND SUPPLEMENTAL AGREEMENT

Date: 2 July 2010

Parties:

1. Purchaser : Longold Win Limited, a wholly-owned subsidiary of the Company
2. Vendor : Ms. Wong Kei Yan
3. The Company

### (1) Consideration

Pursuant to the Second Supplemental Agreement, the Consideration of HK\$88 million shall be satisfied in the following manner:

- (i) the deposit of HK\$25,000,000 in cash which was paid by the Group on 8 February 2010 as the first refundable deposit;
- (ii) as to HK\$10,000,000 in cash upon signing the First Supplemental Agreement or such other date as may be agreed between the parties to the Acquisition Agreement as the second refundable deposit;
- (iii) as to HK\$23,000,000 in cash on the Extended Date; and
- (iv) the balance of HK\$30,000,000 by way of procuring the Company to issue the Revised Promissory Note to the Vendor (or its nominee) on the Extended Date.

The revised payment terms were determined after arm's length negotiation between the Purchaser and the Vendor with reference to the terms under the Second Supplemental Agreement.

The Directors (including the independent non-executive Directors) are of the opinion that the revised payment terms in respect of the Consideration is fair and reasonable and on normal commercial terms and that the entering into the Second Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

## **(2) Revised Conditions precedent of the acquisition of the Sale Share**

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

- (i) 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); and
- (ii) the Purchaser having received a Valuation Report in form and substance satisfactory to the Purchaser stating that the value of Long Men Sou Mine being not less than HK\$130,000,000.

## **(3) Conditions subsequent to the Completion**

The Acquisition under the Acquisition Agreement (as supplemented by the Second Supplemental Agreement) is conditional upon the following conditions subsequent to the Completion having been fulfilled or waived (as the case may be):

- (i) the parties having obtained all necessary approvals for the Acquisition Agreement (as supplemented by the Second Supplemental Agreement) and the relevant transactions contemplated thereunder. Such approvals shall include any necessary approvals or consents from relevant government or regulatory bodies, authorities or organizations or any relevant third parties (including banks);
- (ii) 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 satisfying 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 (as supplemented by the Second Supplemental Agreement);
- (iii) 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 Extended Date;

- (iv) 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 Long Men Sou Mining Licence and the form, contents and substance of which shall be satisfied the Purchaser at its absolute discretion;
- (v) the respective warranties given by the Vendor and the Purchaser being true and accurate in all material respects;
- (vi) all agreements, obligations and conditions required to be executed or complied with under the Acquisition Agreement and supplemental agreement(s) thereto 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 Extended Date; and
- (vii) the completion of the Reorganization by the Target Group.

The Purchaser has the right to waive all of the above conditions subsequent to the Completion in part or in full, except conditions numbered (i), (iv) and (vii) which cannot be waived. In the event that the above conditions subsequent to the Completion are not fulfilled (or as the case may be, waived by the Purchaser) on or before 31 August 2010 (or such other date as the Vendor and the Purchaser may agree in writing), the Purchaser shall have the right to rescind or terminate the Acquisition Agreement (as supplemented by the Second Supplemental Agreement) and the Vendor shall forthwith refund all deposits received by the Vendor within three days thereafter.

Save as disclosed above, all other terms of the Acquisition Agreement shall remain unchanged. Up to the date of this announcement, the two conditions precedent under the Acquisition Agreement (as supplemented by the Second Supplemental Agreement) have been fulfilled. The Directors confirm that as at the date of this announcement, the Company has no intention to waive any of the above conditions subsequent to the Completion.

The Board announces that the unaudited net profit of Long Men Sou Mine for the period from April 2009 to January 2010 was approximately RMB0.4 million and the market value of Long Men Sou Mine as at 31 March 2010 based on the Valuation Report was RMB140 million.

## **COMPLETION OF THE ACQUISITION**

The Board also announces that after signing the Second Supplemental Agreement, the Acquisition was completed on 2 July 2010.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

“Acquisition Agreement”	the conditional agreement dated 8 February 2010 (as supplemented by the First Supplemental Agreement) entered into among the Company, the Purchaser and the Vendor in respect of the Acquisition
“Extended Date”	the 7th day after the fulfillment or waiver of the conditions subsequent to the completion of the Acquisition (or such other date as may be agreed between the parties to the Acquisition Agreement)
“First Supplemental Agreement”	the first supplemental agreement dated 14 May 2010 entered into among the Purchaser, the Vendor and the Company to supplement or amend certain terms and conditions of the Acquisition Agreement
“Second Supplemental Agreement”	the second supplemental agreement dated 2 July 2010 entered into among the Purchaser, the Vendor and the Company to supplement or amend certain terms and conditions of the Acquisition Agreement

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

Hong Kong, 2 July 2010

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