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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010**

The Board of Directors (the “Board”) of Wing Hing International (Holdings) Limited (the “Company”) is pleased to announce that the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2010 were as follows:

RESULTS

For the six months ended 30 September 2010, the Group recorded a loss attributable to owners of the Company of approximately HK\$4,351,000 with loss of HK0.25 cents per share.

DIVIDEND

The Board of Directors has resolved not to recommend the payment of an interim dividend for the six months ended 30 September 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

| | | Unaudited | |
|---|-------------|----------------------------|-------------------|
| | | Six months ended | |
| | | 30 September | |
| | | 2010 | 2009 |
| | <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Continuing operations: | | | |
| Revenue | 2 | 8,900 | 3,936 |
| Cost of sales | | <u>(2,095)</u> | <u>(703)</u> |
| Gross profit | | 6,805 | 3,233 |
| Other income | | 154 | — |
| Administrative and operating expenses | | (8,689) | (3,106) |
| Finance costs | | <u>(82)</u> | <u>(440)</u> |
| Loss before taxation | | (1,812) | (313) |
| Income tax expenses | 3 | <u>(1,939)</u> | <u>(951)</u> |
| Loss for the period from continuing operations | | (3,751) | (1,264) |
| Discontinued operations: | | | |
| Profit for the period from discontinued operations | 4 | <u>—</u> | <u>2,029</u> |
| (Loss)/profit for the period | 5 | <u>(3,751)</u> | <u>765</u> |
| Other comprehensive income: | | | |
| Exchange differences arising on translation of foreign operations | | 1,809 | — |
| Realisation of changes in fair value of property, plant and equipment | | <u>—</u> | <u>644</u> |
| Total comprehensive income for the period | | <u>(1,942)</u> | <u>1,409</u> |
| (Loss)/profit for the period attributable to: | | | |
| Owners of the company | | (4,351) | 111 |
| Non-controlling interests | | <u>600</u> | <u>654</u> |
| | | <u>(3,751)</u> | <u>765</u> |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the company | | (2,947) | 755 |
| Non-controlling interests | | <u>1,005</u> | <u>654</u> |
| | | <u>(1,942)</u> | <u>1,409</u> |
| Dividend | | | |
| | | <u>—</u> | <u>—</u> |
| (Loss)/earnings per share (basic and diluted) | | | |
| From continuing operations | 6 | (0.25 cents) | (0.19 cents) |
| From discontinued operations | | <u>—</u> | <u>0.20 cents</u> |
| | | <u>(0.25 cents)</u> | <u>0.01 cents</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 September 2010*

| | | Unaudited | Audited |
|---|-------------|-----------------------|-----------------|
| | | 30 September | 31 March |
| | | 2010 | 2010 |
| | <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 10,538 | 2,545 |
| Mining rights | 8 | 327,607 | 241,530 |
| | | <u>338,145</u> | <u>244,075</u> |
| Current assets | | | |
| Inventories | | 72 | — |
| Trade and other receivables | 9 | 30,048 | 56,814 |
| Cash and bank balances | | 82,562 | 45,907 |
| | | <u>112,682</u> | <u>102,721</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | 32,427 | 2,021 |
| Current income tax liabilities | | 1,951 | 2,492 |
| | | <u>34,378</u> | <u>4,513</u> |
| Net current assets | | <u>78,304</u> | <u>98,208</u> |
| Total assets less current liabilities | | <u>416,449</u> | <u>342,283</u> |
| Capital and reserves | | | |
| Share capital | 11 | 17,485 | 16,354 |
| Reserves | | 293,270 | 251,240 |
| | | <u>310,755</u> | <u>267,594</u> |
| Equity attributable to owners of the Company | | 310,755 | 267,594 |
| Non-controlling interests | | 75,694 | 74,689 |
| | | <u>386,449</u> | <u>342,283</u> |
| Total equity | | <u>386,449</u> | <u>342,283</u> |
| Non-current liability | | | |
| Promissory note payable | 12 | 30,000 | — |
| | | <u>30,000</u> | <u>—</u> |
| Total non-current liability | | <u>30,000</u> | <u>—</u> |
| Total equity and non-current liability | | <u>416,449</u> | <u>342,283</u> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements (“interim financial statements”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The interim financial statements have been prepared under the historical cost convention except for certain properties, plant and equipment and financial instruments, which are measured at revalued amounts or fair values, as appropriate. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2010.

The Group has adopted the following revised standards, and amendments and interpretation to standards:

| | |
|---------------------|--|
| HKFRS (Amendment) | Improvements to HKFRS issued in 2008 for the amendment to HKFRS 5 |
| HKFRS (Amendment) | Improvements to HKFRS issued in 2009 |
| HKAS 17 (Amendment) | Leases |
| HKAS 27 (Revised) | Consolidated and separate financial statements |
| HKAS 39 (Amendment) | Financial instruments: Recognition and measurement — Eligible hedged items |
| HKFRS 1 (Revised) | First-time adoption of HKFRS |
| HKFRS 1 (Amendment) | First-time adoption of HKFRS — Additional exemptions for first-time adopters |
| HKFRS 2 (Amendment) | Share-based payment — Group cash-settled share-based payment transactions |
| HKFRS 3 (Revised) | Business combination |
| HK(IFRIC) — Int 17 | Distribution of non-cash assets to owners |

The adoption of these standards, amendments and interpretations has no significant impact on the results and financial positions of the Group.

The following standards, amendments and interpretations which have been issued and are not yet effective have not been early adopted by the Group:

| | |
|--------------------------------|--|
| HKFRS (Amendment) | Improvements to HKFRS issued in 2010 |
| HKAS 24 (Revised) | Related party disclosures (effective for annual periods beginning on or after 1 January 2011) |
| HKAS 32 (Amendment) | Financial instruments: Presentation — Classification of rights issues |
| HKFRS 1 (Amendment) | First-time adoption of HKFRS — Limited exemptions from comparative HKFRS 7 disclosures for first-time adopters |
| HKFRS 9 | Financial instruments |
| HK(IFRIC) — Int 14 (Amendment) | HKAS 19 — The limit on a defined benefit assets, minimum funding requirements and their interaction — Prepayments of a minimum funding requirement |
| HK(IFRIC) — Int 19 | Extinguishing financial liabilities with equity instruments |

The Group is in the process of making an assessment of the impact of these standards, amendments and interpretations on the financial statements of the Group in the initial application.

2. REVENUE

An analysis of the Group's revenue of the continuing operations for the period is as follows:

| | Unaudited | |
|--|------------------|--------------|
| | Six months ended | |
| | 30 September | |
| | 2010 | 2009 |
| | HK\$'000 | HK\$'000 |
| Revenue from leasing of coal mining licences | 4,298 | 3,936 |
| Revenue from gold mining | 4,570 | — |
| Others | 32 | — |
| | <u>8,900</u> | <u>3,936</u> |

3. INCOME TAX EXPENSES

(a) Hong Kong profits tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the period. The PRC subsidiaries are subject to the PRC enterprise income tax at 25% (2009: 25%). No provision for Hong Kong deferred tax has been made as there were no estimated assessable profits for the six months ended 30 September 2009 and 2010.

(b) The tax for the period is made up as follows:

| | Unaudited | |
|--------------|------------------|------------|
| | Six months ended | |
| | 30 September | |
| | 2010 | 2009 |
| | HK\$'000 | HK\$'000 |
| Current tax | | |
| — Hong Kong | — | — |
| — PRC | 1,939 | 951 |
| Deferred tax | — | — |
| | <u>1,939</u> | <u>951</u> |

4. DISCONTINUED OPERATIONS

On 7 September 2009, the Company entered into a sale and purchase agreement with Ng Tat Leung, George to dispose the entire issued share capital of Club Ace Holdings Limited and the its shareholder's loan. The disposal was completed on 21 October 2009.

An analysis of the results of the Club Ace Holdings Limited and its subsidiaries as included in the condensed consolidated statement of comprehensive income is as follows:

| | Unaudited Six months ended 30 September 2009 <i>HK\$'000</i> |
|--|---|
| Revenue | 173,093 |
| Cost of sales | <u>(168,082)</u> |
| Gross profit | 5,011 |
| Other income | 5,270 |
| Other gains and losses | (5) |
| Administrative expenses | (9,774) |
| Share of profits of jointly-controlled entities | 1,983 |
| Share of losses of associates | <u>(456)</u> |
| Profit before taxation | 2,029 |
| Income tax expense | <u>—</u> |
| Profit for the period from discontinued operations | <u><u>2,029</u></u> |
| Cash flows from discontinued operations | |
| Net cash used in operating activities | (3,090) |
| Net cash generating by investing activities | 5,119 |
| Net cash generating by financing activities | <u>—</u> |
| Net increase in cash flows | <u><u>2,029</u></u> |

7. CAPITAL EXPENDITURE

| | Property, plant and equipment <i>HK\$'000</i> |
|--|--|
| Net book value as at 1 April 2010 | 2,545 |
| Additions | 8,602 |
| Acquisition of subsidiaries | 159 |
| Depreciation | (763) |
| Currency translation differences | (5) |
| | <hr/> |
| Net book value as at 30 September 2010 | <u><u>10,538</u></u> |

8. MINING RIGHTS

| | Coal mining rights <i>HK\$'000</i> | Gold mining rights <i>HK\$'000</i> | Total mining rights <i>HK\$'000</i> |
|--|---|---|--|
| Net book value as at 1 April 2010 | 241,530 | — | 241,530 |
| Acquisition of subsidiaries | — | 86,296 | 86,296 |
| Amortisation | (710) | (320) | (1,030) |
| Currency translation differences | 811 | — | 811 |
| | <hr/> | <hr/> | <hr/> |
| Net book value as at 30 September 2010 | <u><u>241,631</u></u> | <u><u>85,976</u></u> | <u><u>327,607</u></u> |

9. TRADE AND OTHER RECEIVABLES

An aged analysis of the Group's trade and other receivables as at 30 September 2010 is as follows:

| | Unaudited 30 September 2010 HK\$'000 | Audited 31 March 2010 HK\$'000 |
|--|---|---|
| Trade receivables, with aged analysis | | |
| Current to 90 days | 7,158 | 2,837 |
| 91 days to 180 days | 2,175 | — |
| 181 days to 365 days | — | — |
| Over 365 days | — | — |
| | <u>9,333</u> | <u>2,837</u> |
| Less: accumulated impairment | — | — |
| | <u>9,333</u> | <u>2,837</u> |
| Total trade receivables as shown under current assets | | |
| Deposits paid for acquisition of subsidiaries | — | 33,000 |
| Deposits paid for purchase of goods | — | 15,521 |
| Prepayments, deposits and other receivables | 20,715 | 5,456 |
| | <u>20,715</u> | <u>53,977</u> |
| | <u><u>30,048</u></u> | <u><u>56,814</u></u> |

10. TRADE AND OTHER PAYABLES

An aged analysis of the Group's trade and other payables as at 30 September 2010 is as follows:

| | Unaudited 30 September 2010 HK\$'000 | Audited 31 March 2010 HK\$'000 |
|--|---|---|
| Trade payables, with aged analysis | | |
| Current to 90 days | 46 | — |
| 91 days to 180 days | — | — |
| 181 days to 365 days | — | — |
| Over 365 days | — | — |
| | <u>46</u> | <u>—</u> |
| Total trade payables as shown under current liabilities | | |
| Other payables and accruals | 32,381 | 1,815 |
| Amounts due to non-controlling shareholders | — | 206 |
| | <u>32,381</u> | <u>2,021</u> |
| | <u><u>32,427</u></u> | <u><u>2,021</u></u> |

11. SHARE CAPITAL

| | Number of shares | Amount HK\$'000 |
|---|-----------------------|--------------------|
| Authorised: | | |
| At 31 March 2010 and at 30 September 2010 | | |
| Ordinary shares of HK\$0.01 each | <u>15,000,000,000</u> | <u>150,000</u> |
| Issued and fully paid: | | |
| At 31 March 2010 | | |
| Ordinary shares of HK\$0.01 each | 1,635,432,400 | 16,354 |
| Issue of new shares under a placing agreement | 80,000,000 | 800 |
| Exercise of options | <u>33,084,800</u> | <u>331</u> |
| At 30 September 2010 | | |
| Ordinary shares of HK\$0.01 each | <u>1,748,517,200</u> | <u>17,485</u> |

12. PROMISSORY NOTE PAYABLE

On 3 September 2010, the Company issued a promissory note with a principal amount of HK\$30,000,000 to the vendor as part of the purchase consideration for the acquisition of 100% equity interests in Bestkin International Limited (“Bestkin”) and full amount of the shareholder’s loan owned by Bestkin to the vendor. The promissory note is transferable, unsecured, carried interest at 3.5% per annum and has a fixed term of two years from the date of issue.

13. CONTINGENT LIABILITIES

As at 30 September 2010, the Group did not have any significant contingent liabilities (31 March 2010: Nil).

14. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

An analysis of the Group's revenue and results by principal activities, in respect of the Group's operations for the six months ended 30 September 2010 is as follows:

2010

| | Coal-related investment <i>HK\$'000</i> | Gold-related investment <i>HK\$'000</i> | Corporate and other <i>HK\$'000</i> | Elimination <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--------------------------------|---|---|---|--------------------------------|---------------------------------|
| REVENUE | | | | | |
| External sales | 4,298 | 4,570 | 32 | — | 8,900 |
| Inter-segment sales | — | — | — | — | — |
| Total | <u>4,298</u> | <u>4,570</u> | <u>32</u> | <u>—</u> | <u>8,900</u> |
| RESULTS | | | | | |
| Segment results | <u>2,992</u> | <u>3,782</u> | <u>31</u> | <u>—</u> | 6,805 |
| Unallocated income | | | | | 154 |
| Unallocated corporate expenses | | | | | (8,689) |
| Finance costs | | | | | (82) |
| Loss before tax | | | | | (1,812) |
| Income tax expenses | | | | | (1,939) |
| Loss for the period | | | | | <u>(3,751)</u> |

| | Continuing Operations | | | Discontinued Operations | | | | | | Consolidated HK\$'000 |
|-----------------------------------|---|--------------------------|-------------------|---|---|--|--------------------------|-------------------|----------------|--------------------------|
| | Coal- related investment HK\$'000 | Eliminations HK\$'000 | Total HK\$'000 | Superstructure construction works HK\$'000 | Foundation piling, substructure works and slope improvement works HK\$'000 | Interior decoration and landscaping works HK\$'000 | Eliminations HK\$'000 | Total HK\$'000 | | |
| REVENUE | | | | | | | | | | |
| External sales | 3,936 | — | 3,936 | 150,667 | 22,235 | 191 | — | 173,093 | 177,029 | |
| Inter-segment sales | — | — | — | — | 36 | 1,865 | (1,901) | — | — | |
| Total | <u>3,936</u> | <u>—</u> | <u>3,936</u> | <u>150,667</u> | <u>22,271</u> | <u>2,056</u> | <u>(1,901)</u> | <u>173,093</u> | <u>177,029</u> | |
| RESULTS | | | | | | | | | | |
| Segment results | <u>3,805</u> | <u>(572)</u> | <u>3,233</u> | <u>9,401</u> | <u>1,968</u> | <u>(1,115)</u> | <u>(22)</u> | <u>10,232</u> | 13,465 | |
| Unallocated income | | | — | | | | | 74 | 74 | |
| Unallocated corporate expenses | | | (3,106) | | | | | (9,804) | (12,910) | |
| Share of profits/(losses) of | | | | | | | | | | |
| — jointly-controlled entities | | | — | | | | | 1,983 | 1,983 | |
| — associates | | | — | | | | | (456) | (456) | |
| Finance costs | | | (440) | | | | | — | (440) | |
| (Loss)/profit before tax | | | (313) | | | | | 2,029 | 1,716 | |
| Income tax expenses | | | (951) | | | | | — | (951) | |
| (Loss)/profit for the period | | | <u>(1,264)</u> | | | | | <u>2,029</u> | <u>765</u> | |

15. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

| | Unaudited 30 September 2010 HK\$'000 | Audited 31 March 2010 HK\$'000 |
|---------------------------------------|---|---|
| Within one year | 900 | 935 |
| In the second to fifth year inclusive | — | 233 |
| | <u>900</u> | <u>1,168</u> |

16. PLEDGE OF ASSETS

As at 30 September 2010, the Group has no pledged deposits (31 March 2010: Nil).

17. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

Pursuant to a sale and purchase agreement dated 8 February 2010, the first supplemental agreement dated 14 May 2010 and the second supplemental agreement dated 2 July 2010, the Group acquired the entire equity interests in Bestkin International Limited (“Bestkin”) and the full amount of the shareholder’s loan owned by Bestkin to the vendor for an aggregate consideration of HK\$88,000,000. The acquisition was completed on 2 July 2010. Bestkin (through its subsidiary) was mainly involved in holding of gold mining rights to conduct mining activities in gold mine situated in Long Men Sou, District of the Chicheng County, Hebei Province, the PRC and had not carried out any other significant business transactions since its incorporation. In the opinion of the directors, the acquisition did not, therefore, constitute an acquisition of business as the Group principally acquired the mining rights through the acquisition. Therefore, the acquisition was not disclosed as a business combination in accordance with the requirements of HKFRS 3 Business Combinations.

The net assets acquired in the acquisition were as follows:

| | <i>HK\$’000</i> |
|--|-----------------|
| Net assets acquired: | |
| Mining rights | 86,296 |
| Property, plant and equipment | 159 |
| Inventory | 55 |
| Trade and other receivables | 230 |
| Bank balances | 1,263 |
| Trade and other payables | (3) |
| | <u>88,000</u> |
| Total consideration satisfied by: | |
| Cash consideration paid | 58,000 |
| Fair value of promissory note issued | 30,000 |
| | <u>88,000</u> |
| Net cash outflow arising on acquisition: | |
| Cash consideration paid | (58,000) |
| Cash and bank balances acquired | 1,263 |
| | <u>(56,737)</u> |

18. SUBSEQUENT EVENT

On 25 October 2010, the Board announced that the Group is under negotiations or discussions regarding (i) a possible investment or acquisition of overseas gold mine(s); and (ii) a possible disposal of certain assets of the Group (collectively the “Possible Transactions”). Up to the date of this announcement, no legally binding agreements or contracts relating to any of the Possible Transactions have been entered into by the Group.

19. COMPARATIVE FIGURES

Certain comparative figures have been re-classified in order to conform with the presentation of current period.

INTERIM DIVIDEND

The Board of Directors has resolved not to recommend the payment of an interim dividend for the six months ended 30 September 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS OF THE GROUP

The Group is principally engaged in the operations of coal mines and gold mine and leasing of mining licences in the People's Republic of China (the "PRC") and sale of mineral products.

Business Review

During the period under review, the Group's continuing operations has recorded a turnover of approximately HK\$8,900,000 which represents an increase of 126% compared with the turnover recorded in the corresponding period of last year. The Group recorded a net loss from ordinary activities attributable to owners of approximately HK\$4,351,000 compared with a net profit from ordinary activities attributable to owners of approximately HK\$111,000 for the corresponding period of last year.

Coal Mining

The Group owns five coal mining rights in the PRC including Tiechong Coal Mine, Xinghe Coal Mine, Shuishan Coal Mine, Lushan Coal Mine and the Dayan Coal Mine with respective production capacities of 90,000 tonnes, 150,000 tonnes, 90,000 tonnes, 90,000 tonnes and 300,000 tonnes per annum.

The Group leased the mining rights of Tiechong Coal Mine, Xinghe Coal Mine and Shuishan Coal Mine to Independent Third Parties during the period under review. The Group has not leased out the coal mining licences relating to the Lushan Coal Mine and the Dayan Coal Mine, the explorations of these two mines were in progress, no development or production activity has taken place at this stage. The Group has incurred approximately of HK\$7 million for the explorations of the mines during the period under review.

Since the Department of Energy of China has pointed out that it will initiate the formulation of coal regulations and policies, including some directions, among others, strengthening the management of coal resources, the improvement of coal planning and the protection of rights and interests of the miners, etc. The Board believes that the costs in the construction and production of coal mine for the coal enterprise will increase for fulfilling the new regulations and policies. Therefore, the Group is cautious on the coal mining.

Gold Mining

The Group acquired the entire equity interests in Bestkin International Limited (“Bestkin”) and the full amount of the shareholder’s loan owned by Bestkin to the vendor for an aggregate consideration of HK\$88,000,000. The acquisition was completed on 2 July 2010. Bestkin (through its subsidiary) was mainly involved in holding of gold mining rights to conduct mining activities in gold mine with a mining area of approximately 0.3611 sq. km and production capacity of 500 tonnes per annum, which is situated in Long Men Sou, District of the Chicheng County, Hebei Province, the PRC.

The Group has engaged an independent subcontractor with relevant experience in gold mining and production business to provide services include mining, drilling and other related operations at Long Men Sou Mine. The Group has incurred approximately of HK\$0.4 million for the explorations and development of the mine during the period under review.

Guaranty Company

On 9 April 2010, Guizhou Baoxin Investment and Guaranty Co. Ltd. (the “PRC Subsidiary”) was established in Guizhou Province, the PRC. The PRC Subsidiary is indirectly wholly-owned by the Company, and has an approved operating term of 20 years.

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 of financial guarantee services in the PRC.

Prospects

The expectancy to unprecedented hyperinflation in a global scale triggered by the quantitative easing monetary policy of the USA, there will certainly be increasing demand for commodities such as gold. The Board is optimistic about the function of gold mining. Gold became a risk-resistance investment tool in 2010. In mid November 2010, gold price sharply increased to over US\$1,400 per ounce. We believed that this upward trend will continue in the next few years. We will enhance the existing production capacity and further acquisition of exploration and mining right all over the world. The Directors strategically focus to gold resources sectors and we expect it will bring new prospects and opportunities to the future of the Group.

The Group is actively seeking for potential investment opportunities. On 25 October 2010, the Board announced that the Group is under negotiations or discussions regarding (i) a possible investment or acquisition of overseas gold mine(s); and (ii) a possible disposal of certain assets of the Group (collectively the “Possible Transactions”). Up to the date of this announcement, no legally binding agreements or contracts relating to any of the Possible Transactions have been entered into by the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2010, the Group's had no outstanding bank borrowings and no banking facilities.

The Group's gearing ratio as at 30 September 2010 was zero (31 March 2010: zero), calculated based on the Group's total zero borrowings (31 March 2010: HK\$Nil) over the Group's total assets of HK\$450,827,000 (31 March 2010: HK\$346,796,000).

As at 30 September 2010, the balances of cash and cash equivalents of the Group were approximately HK\$82.5 million (31 March 2010: HK\$45.9 million) and were mainly denominated in United States dollars and Renminbi.

The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship so as to minimize risks in its business.

FINANCING

On 5 May 2010, the Company announced that an aggregate of 80,000,000 shares of HK\$0.01 each in the capital of the Company were placed to not fewer than six placees, at the placing price of HK\$0.50 per placing share, upon completion of the placing agreement dated 26 April 2010 entered into between the Company and VC Brokerage Limited as the placing agent. The net proceeds from the aforesaid placing amounted to approximately HK\$39.3 million which were intended to be used for the general working capital of the Group and potential investments.

FOREIGN EXCHANGE EXPOSURE

During the period ended 30 September 2010, the Group mainly operated in the PRC and the majority of the Group's transactions and balances as at and for the period ended 30 September 2010 was denominated in United States dollars and Renminbi. The Group currently does not have a foreign currency hedging policy. Nevertheless, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the period ended 30 September 2010.

SHARE OPTION SCHEME

In the Company's special general meeting held on 4 January 2010, an ordinary resolution was passed by the Company's shareholders for adoption of a new share option scheme (the "2010 Share Option Scheme") (which is complied with amended Chapter 17 of the Listing Rules) and termination of the Company's share option scheme adopted on 28 August 2002. There were 47,877,200 options outstanding as at 30 September 2010 which represented approximately 2.74% of the total number of issued shares of the Company as at that date.

During the six months ended 30 September 2010, the movements of the options which have been granted under the 2010 Share Option Scheme are as follows:

| Category and name of participants | Date of share option granted | Outstanding at beginning of the period | Granted during the period | Exercised during the period | Cancelled/ lapsed during the period | Outstanding at end of the period | Subscription price HK\$ | Exercise period |
|--|------------------------------|--|---------------------------|-----------------------------|-------------------------------------|----------------------------------|-------------------------|------------------------------|
| Directors | | | | | | | | |
| Li Hok Yin | 2 March 2010 | 16,192,400 | — | 16,192,400 | — | — | 0.1846 | 2 March 2010 to 2 March 2012 |
| Yuen Sau Ying, Christine (resigned on 28 June 2010) | 2 March 2010 | 16,192,400 | — | 16,192,400 | — | — | 0.1846 | 2 March 2010 to 2 March 2012 |
| Employees of the Group | 2 March 2010 | 48,577,200 | — | 700,000 | — | 47,877,200 | 0.1846 | 2 March 2010 to 2 March 2012 |
| | | 80,962,000 | — | 33,084,800 | — | 47,877,200 | | |

UNLISTED WARRANTS

The following table discloses movements in the Company's unlisted warrants issued to the subscribers during the six months ended 30 September 2010:

| Date of warrant issued | Outstanding at beginning of the period | Granted during the year | Exercise during the period | Outstanding at end of the period | Subscription price HK\$ | Exercise period | Percentage to total Company's shares in issue at end of the period |
|------------------------|--|-------------------------|----------------------------|----------------------------------|-------------------------|----------------------------|--|
| 10 March 2010 | 323,848,000 | — | — | 323,848,000 | 0.160 | 10 March 2010–9 March 2015 | 18.52% |

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2010, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to (the Model Code for Securities Transactions by Directors of Listed Issues,) were as follows:

Long positions in shares and underlying shares of the Company

| Name of Director | Number of ordinary share | | Number of underlying shares held under share options | Total | Percentage of the issued share capital of the Company |
|------------------|--------------------------|---------------------|--|------------|---|
| | Personal interests | Corporate interests | | | |
| Li Hok Yin | 16,192,400 | — | — | 16,192,400 | 0.93% |

Save as disclosed herein, neither the directors nor any of their associates had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 September 2010 as defined in Section 352 of the SFO.

CORPORATE GOVERNANCE PRACTICES

Audit Committee

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions as set out in the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The audit committee comprises three independent non-executive Directors, Mr. Chui Man Lung, Everett, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group, and to review the Company’s annual and interim reports.

The audit committee has also reviewed the Group’s unaudited results for the six months ended 30 September 2010.

Model Code for Securities Transactions by Directors

The Company has adopted the requirements of the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the securities transactions of the Directors of the Company. Having made specific enquiry to all Directors of the Company, they have confirmed that they complied with the required standard set out in the Model Code during the accounting period covered by this interim results announcement.

Corporate Governance Practices

None of the Directors is aware of any information that would reasonably indicate that the Group is not, or was not for any part of the accounting period covered by this interim results announcement in compliance with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules except for code provision A.2.1 and A.4.1 of the Code which stated below.

Code Provision A.2.1 requires the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. To make and to facilitate the implementation of decisions promptly and efficiently, the Company has not separated the roles of the chairman and the chief executive officer which are performed by the same individual, Mr. Li Ho Yin. The Company will review the current structure when and as it becomes appropriate in future.

Code Provision A.4.1 requires non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive Directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the bye-laws of the Company.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk under “Latest Listed Companies Information” and on the website of the Company at www.whih.com.hk. The interim report of the Company containing all the information required by the Listing Rules will be published on the websites in due course.

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

Hong Kong SAR, 29 November 2010

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. Hui Wah Tat, Anthony, Mr. Li Kam Chung and Mr. Chui Man Lung, Everett.