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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



VC BROKERAGE LIMITED
滙盈證券有限公司

THE PLACING

On 26 April 2010 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 80,000,000 Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at a price of HK\$0.50 per Placing Share.

The Placing Price of HK\$0.50 represents a discount of approximately 12.28% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price per Share of HK\$0.536 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The maximum number of 80,000,000 Placing Shares represents (i) approximately 4.89% of the existing issued share capital of the Company of 1,635,432,400 Shares as at the date of this announcement; and (ii) approximately 4.66% of the issued share capital of the Company of 1,715,432,400 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$800,000.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares; and the Placing Agreement not having been terminated in accordance with its terms.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be HK\$40 million and approximately HK\$39.3 million respectively. The Company intends to use the net proceeds from the Placing for the general working capital of the Group and potential investments to be identified. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.491 per Share.

The Placing Shares to be placed under the Placing Agreement will be issued pursuant to the General Mandate to allot, issue and deal with the Shares granted to the Directors at the SGM.

THE PLACING AGREEMENT

Date

26 April 2010 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent.

Placing Agent

The Placing Agent has conditionally agreed to place up to 80,000,000 Placing Shares, on a best effort basis, to the Placees and will receive a placing commission of 1.25% on the gross proceeds of the actual number of Placing Shares being placed. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 1.25%, which was arrived at after arm's length negotiations under normal commercial terms, is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and will not be connected with the Company and its connected persons.

Number of Placing Shares

The maximum number of 80,000,000 Placing Shares represents (i) approximately 4.89% of the existing issued share capital of the Company of 1,635,432,400 Shares as at the date of this announcement; and (ii) approximately 4.66% of the issued share capital of the Company of 1,715,432,400 Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$800,000.

Ranking of Placing Shares

The Placing Shares will rank pari passu in all respects among themselves and with Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.50 represents a discount of approximately 12.28% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price per Share of HK\$0.536 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on the date of the Placing Agreement. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders at the SGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the SGM. Under the General Mandate, the Company is authorised to issue up to 327,086,480 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and the Placing Agreement not having been terminated in accordance with its terms.

Termination of the Placing

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 12:00 noon (Hong Kong time) on the date of completion of the Placing if any of the following develops, occurs or comes into force:

- (i) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained herein or any failure to perform any of the Company's undertakings in the Placing Agreement;
- (ii) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which are or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;

- (iii) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing,
- (iv) any suspension of dealings in the Shares for any period of five consecutive trading days or more (other than as a result of the Placing); or
- (v) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

Completion of the Placing

Completion of the Placing will take place within four Business Days after fulfillment of the conditions set out in the Placing Agreement but not later than 24 May 2010 (or such other date as the Company and the Placing Agent may agree in writing).

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds and consider that the Placing represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be HK\$40 million and approximately HK\$39.3 million respectively. The Company intends to use the net proceeds from the Placing for the general working capital of the Group and potential investments to be identified. The net proceeds raised per Share upon completion of the Placing will be approximately HK\$0.491 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summaries the fund raising activities of the Company in the last 12 months immediately 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 of the Company to two subscribers	HK\$19.95 million	Intended to be used as general working capital of the Group	HK\$10 million for repayment of promissory note; and approximately HK\$9.95 million for general working capital of the Group
25 September 2009	Issue and allotment of shares of the Company to a subscriber under the general mandate granted on 31 August 2009	HK\$21 million	Intended to finance the Company's future potential investments if suitable opportunities arise	HK\$8 million used as refundable deposit in a proposed investment announced on 7 October 2009. The remaining 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	HK\$25 million has been used as refundable deposit in a proposed acquisition announced on 17 February 2010; approximately HK\$10 million has been used for repayment of promissory note; and approximately HK\$4 million has been used as general working capital of the Group. Save as aforesaid, the net proceeds from the open offer will be used as intended.
26 February 2010	Issue of unlisted warrants to a subscriber under the general mandate granted on 4 January 2010	Net proceeds from the warrant subscription of approximately HK\$300,000	Intended to be used as general working capital of the Group	All of the net proceeds will be used as intended.
		Proceeds from the issue of the warrant shares of approximately HK\$51.82 million	Intended to be used as general working capital of the Group and as funds for future development of the Group.	All of the net proceeds will be used as intended.

EFFECTS ON SHAREHOLDING STRUCTURE

The expected changes in the share capital and shareholding structure of the Company resulting from the Placing are as follows:

Shareholders	Existing shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing	
	Shares	Approximate %	Shares	Approximate %
Newly Rich International Overseas Limited (<i>Note 1</i>)	155,450,000	9.51	155,450,000	9.06
Cheever Capital Management (Asia) Limited (<i>Note 2</i>)	<u>128,000,000</u>	<u>7.83</u>	<u>128,000,000</u>	<u>7.46</u>
Subtotal	283,450,000	17.34	283,450,000	16.52
Public Shareholders				
Public Shareholders	1,351,982,400	82.66	1,351,982,400	78.82
The Placees	<u>—</u>	<u>—</u>	<u>80,000,000</u>	<u>4.66</u>
Total	<u><u>1,635,432,400</u></u>	<u><u>100.00</u></u>	<u><u>1,715,432,400</u></u>	<u><u>100.00</u></u>

Notes:

1. Newly Rich International Overseas Limited is wholly-owned by Cheever Asian Growth Fund Limited which in turn is owned as to 50% by Cheung Siu Chung and 50% owned by Zhang Lan. Hence, Cheung Siu Chung and Zhang Lan are deemed to be interested in the Shares held by Newly Rich International Overseas Limited for the purpose of SFO.
2. Cheever Capital Management (Asia) Limited is wholly-owned by Cheung Siu Chung. Hence, Cheung Siu Chung is deemed to be interested in the Shares held by Cheever Capital Management (Asia) Limited for the purpose of SFO.

GENERAL

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

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“Company”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the SGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the SGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of up to 80,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 26 April 2010 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.50 per Placing Share
“Placing Share(s)”	Up to 80,000,000 new Share(s) to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company held on 9 April 2010
“Shareholder(s)”	holder(s) of the Share(s)

“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
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“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 April 2010

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