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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

(1) SUBSCRIPTION OF NEW SHARES; AND (2) RESUMPTION OF TRADING

On 6 August 2009, the Company entered into the Term Sheet with Galaxy, pursuant to which Galaxy, or any other purchasers nominated by Galaxy, has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 13,800,000 Shares in cash at the Subscription Price of HK\$1.46 per Subscription Share.

On 7 August 2009, the Company entered into the Galaxy Agreement with Galaxy, pursuant to which Galaxy has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 10,350,000 Shares in cash at the Subscription Price of HK\$1.46 per Galaxy Subscription Share.

On 7 August 2009, the Company entered into the VMS Agreement with VMS, pursuant to which VMS has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 3,450,000 Shares in cash at the Subscription Price of HK\$1.46 per VMS Subscription Share.

The Subscription Price of HK\$1.46 per Subscription Share represents: (i) a discount of approximately 19.78% to the closing price of HK\$1.82 per Share as quoted on the Stock Exchange on 6 August 2009, being the date of the Term Sheet; and (ii) a discount of approximately 11.52% to the average closing price of approximately HK\$1.65 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to date of the Term Sheet.

The Subscription Price was arrived at after arm's length negotiations between the Company and Galaxy by taking into account of the recent trading performance of the Shares. The Directors consider that the Subscription Price is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

The Galaxy Subscription Shares represent (i) approximately 11.52% of the existing issued share capital of the Company; (ii) approximately 10.33% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Galaxy Subscription Shares; and (iii) approximately 9.98% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The VMS Subscription Shares represent (i) approximately 3.84% of the existing issued share capital of the Company; (ii) approximately 3.70% of the existing issued share capital of the Company as enlarged by the allotment and issue of the VMS Subscription Shares; and (iii) approximately 3.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The net proceeds of the Subscription of approximately HK\$19,950,000 will be applied towards the general working capital of the Group.

Trading in issued Shares on the Stock Exchange was suspended at the request of the Company from 2:30 p.m. on 6 August 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in issued Shares from 9:30 a.m. on 11 August 2009.

TERM SHEET

On 6 August 2009, the Company entered into the Term Sheet with Galaxy, pursuant to which Galaxy, or any other purchasers nominated by Galaxy, has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 13,800,000 Shares in cash at the Subscription Price of HK\$1.46 per Subscription Share.

Completion of the Subscription shall be conditional upon customary conditions including but not limited to the approval for the listing of and permission to deal in all of the Subscription Shares being granted by the Stock Exchange. Details of conditions of the Subscription were to be set out in the Agreements.

THE GALAXY AGREEMENT

On 7 August 2009, the Company entered into the Galaxy Agreement with Galaxy, pursuant to which Galaxy has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 10,350,000 Shares in cash at the Subscription Price of HK\$1.46 per Subscription Share.

Information on Galaxy

Galaxy is a company incorporated in Hong Kong and is principally engaged in asset management. The Directors confirm that Galaxy is an Independent Third Party and there is no business relationship between Galaxy and the Group and its connected persons (as defined under the Listing Rules). To the best of the Directors' knowledge, information and belief, save as disclosed, there are also no other contractual relationships between Galaxy and the Group.

Number of Galaxy Subscription Shares

The Galaxy Subscription Shares represent (i) approximately 11.52% of the existing issued share capital of the Company; (ii) approximately 10.33% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Galaxy Subscription Shares; and (iii) approximately 9.98% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Conditions of the Galaxy Subscription

Completion of the Galaxy Subscription shall be conditional upon:

- (a) the compliance with the requirements of the Stock Exchange and the Listing Rules, including but not limited to the listing of and permission to deal in all of the Galaxy Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to customary conditions);
- (b) the Shares remaining listed and traded on the Stock Exchange at all times from the date hereof to the date of the Galaxy Completion, save for any temporary suspension not exceeding five (5) consecutive trading days (as defined under the Listing Rules), or such longer period as the Subscriber may accept in writing, and no indication being received by the Company on or before the date of the Galaxy Completion from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to as a result of the Galaxy Completion or in connection with the terms of the Galaxy Agreement;
- (c) the warranties given by the Company in the Galaxy Agreement remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the Galaxy Agreement and at the Galaxy Completion;
- (d) the Company having performed in all material respects all of the covenants and agreements required to be performed by it under the Galaxy Agreement on or prior to the date of the Galaxy Completion; and
- (e) if necessary, the approval of the Bermudan Monetary Authority in respect of the issue and allotment of the Galaxy Subscription Shares.

Galaxy may in its absolute discretion at any time waive in writing conditions (b), (c) and (d) (or any part thereof) and such waiver may be made subject to such terms and conditions as are determined by Galaxy.

In the event any of the Conditions is not fulfilled (or being waived by Galaxy), at or before 5:00 p.m. (Hong Kong time) on 31 August 2009 (or such later date as the Company and Galaxy may agree in writing), the Galaxy Agreement shall cease to be of any effect, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Galaxy Completion

Galaxy Completion will take place on the second business day after all of the conditions of the Galaxy Subscription have been fulfilled by the Company or, as the case may be, waived by Galaxy (or such later date as the Company and Galaxy may agree in writing).

THE VMS AGREEMENT

On 7 August 2009, the Company entered into the VMS Agreement with VMS, pursuant to which VMS has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 3,450,000 Shares in cash at the Subscription Price of HK\$1.46 per Subscription Share.

Information on VMS

VMS is an investment holding company incorporated in the British Virgin Islands. The Directors confirm that VMS is an Independent Third Party and there is no business relationship between VMS and the Group and its connected persons (as defined under the Listing Rules). To the best of the Directors' knowledge, information and belief, save as disclosed, there are also no other contractual relationships between VMS and the Group.

Number of VMS Subscription Shares

The VMS Subscription Shares represent (i) approximately 3.84% of the existing issued share capital of the Company; (ii) approximately 3.70% of the existing issued share capital of the Company as enlarged by the allotment and issue of the VMS Subscription Shares; and (iii) approximately 3.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Conditions of the VMS Subscription

Completion of the VMS Subscription shall be conditional upon:

- (a) the compliance with the requirements of the Stock Exchange and the Listing Rules, including but not limited to the listing of and permission to deal in all of the VMS Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to customary conditions);
- (b) the Shares remaining listed and traded on the Stock Exchange at all times from the date hereof to the Completion Date, save for any temporary suspension not exceeding five (5) consecutive trading days (as defined under the Listing Rules), or such longer period as the Subscriber may accept in writing, and no indication being received by the Company on or before the Completion Date from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to as a result of Completion or in connection with the terms of the VMS Agreement;

- (c) the warranties given by the Company in the Galaxy Agreement remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the VMS Agreement and at Completion;
- (d) the Company having performed in all material respects all of the covenants and agreements required to be performed by it under the VMS Agreement on or prior to the date of Completion; and
- (e) if necessary, the approval of the Bermudan Monetary Authority in respect of the issue and allotment of the VMS Subscription Shares.

VMS may in its absolute discretion at any time waive in writing conditions (b), (c) and (d) (or any part thereof) and such waiver may be made subject to such terms and conditions as are determined by VMS.

In the event any of the Conditions is not fulfilled (or being waived by VMS), at or before 5:00 p.m. (Hong Kong time) on 31 August 2009 (or such later date as the Company and VMS may agree in writing), the VMS Agreement shall cease to be of any effect, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

VMS Completion

VMS Completion will take place on the second business day after all of the conditions of the VMS Subscription have been fulfilled by the Company or, as the case may be, waived by VMS (or such later date as the Company and VMS may agree in writing).

SUBSCRIPTION PRICE

The Subscription Price of HK\$1.46 per Subscription Share represents:

- (i) a discount of approximately 19.78% to the closing price of HK\$1.82 per Share as quoted on the Stock Exchange on 6 August 2009, being the date of the Term Sheet; and
- (ii) a discount of approximately 11.52% to the average closing price of approximately HK\$1.65 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to date of the Term Sheet.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$1.45 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and Galaxy with reference to the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Term Sheet and the Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

RIGHTS

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued pursuant to the General Mandate. The Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is sufficient for the allotment of issue of the Subscription Shares. The Company has not repurchased any issued Shares within the last 30 days prior to the date of this announcement.

APPLICATION FOR LISTING

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

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in the construction of superstructures, and foundation piling, substructure works, slope improvement works and interior decoration works in Hong Kong.

By entering into the Term Sheet and the Agreements, the Group can raise capital for the Group to further strengthen its financial position.

The gross proceeds of the Subscription is HK\$20,148,000. The net proceeds of the Subscription of approximately HK\$19,950,000 will be applied towards the general working capital of the Group.

The Directors consider that the Term Sheet and the Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and Galaxy and that the terms of the Term Sheet and the Agreements are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned. The Directors also consider that the Subscription will strengthen the financial position (in particular, the working capital and cash flow position) of the Group.

The Galaxy Subscription and the VMS Subscription are not inter-conditional upon each other.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription are as follows:

Shareholders	At the date of this announcement and immediately before completion of the Subscription		Immediately after completion of the Subscription	
	<i>No. of Shares</i>	<i>Approximate (%)</i>	<i>No. of Shares</i>	<i>Approximate (%)</i>
Ng Tat Leung, George (<i>Note 1</i>)	4,917,369	5.47	4,917,369	4.74
Wong Teck Ming (<i>Note 1</i>)	30,000	0.03	30,000	0.03
Total Success Worldwide Limited (<i>Note 1</i>)	10,772,700	11.99	10,772,700	10.39
Newly Rich International Overseas Ltd. (<i>Note 2</i>)	12,786,081	14.23	12,786,081	12.33
Public Shareholders				
Galaxy	–	–	10,350,000	9.98%
VMS	–	–	3,450,000	3.33%
Other public Shareholders	<u>61,353,850</u>	<u>68.28</u>	<u>61,353,850</u>	<u>59.20</u>
Total:	<u>89,860,000</u>	<u>100%</u>	<u>103,660,000</u>	<u>100%</u>

Notes:

1. The issued share capital of Total Success Worldwide Limited is owned as approximately 92.92% by Ng Tat Leung, George, the chairman of the Company and the managing Director, and as to approximately 7.08% by Wong Teck Ming, an executive Director.
2. The issued share capital of Newly Rich International Overseas Ltd. is owned as to 50% by Heung Kit Ha and 50% by Liu Pui Lan.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Save as disclosed below, no fund raising activity has been carried out by the Company in the twelve months immediately prior to the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
4 August 2008	Placing of Shares	HK\$14.5 million	All of the net proceeds will be used as general working capital of the Group	All of the net proceeds has been used as general working capital of the Group

RESUMPTION OF TRADING

Trading in issued Shares on the Stock Exchange was suspended at the request of the Company from 2:30 p.m. on 6 August 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in issued Shares from 9:30 a.m. on 11 August 2009.

DEFINITIONS

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

“Agreements”	the Galaxy Agreement and the VMS Agreement
“Board”	the board of Directors
“business day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally 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 and the issued Shares of which are listed on the Stock Exchange
“Directors”	directors (including the independent non-executive directors) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Galaxy”	Galaxy Asset Management (HK) Limited, an Independent Third Party

“Galaxy Agreement”	the formal subscription agreement entered into by Galaxy and the Company in relation to the Galaxy Subscription
“Galaxy Completion”	completion of the issue and allotment of the Galaxy Subscription Shares in accordance to the terms and conditions of the Galaxy Agreement
“Galaxy Subscription”	the subscription for the Galaxy Subscription Shares by Galaxy as contemplated in the Galaxy Agreement
“Galaxy Subscription Shares”	an aggregate of 10,350,000 Shares to be subscribed by Galaxy pursuant to the Galaxy Agreement
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with Shares at the annual general meeting of the Company held on 25 August 2008
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party which is not a connected person (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“PRC”	the People’s Republic of China which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription”	the subscription for the Subscription Shares by Galaxy and VMS as contemplated in the Term Sheet or the Agreements, as the case may be
“Subscription Price”	the subscription price of HK\$1.46 per Subscription Share
“Subscription Shares”	an aggregate of 13,800,000 Shares to be subscribed by Galaxy and VMS pursuant to the Term Sheet or the Agreements, as the case may be

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term Sheet”	the term sheet dated 6 August 2009 and entered into between the Company and Galaxy in respect of the Subscription
“VMS”	VMS Investment Group Limited, an Independent Third Party
“VMS Agreement”	the formal subscription agreement entered into by VMS and the Company in relation to the VMS Subscription
“VMS Completion”	completion of the issue and allotment of the VMS Subscription Shares in accordance to the terms and conditions of the VMS Agreement
“VMS Subscription”	the subscription for the VMS Subscription Shares by VMS as contemplated in the VMS Agreement
“VMS Subscription Shares”	an aggregate of 3,450,000 Shares to be subscribed by VMS pursuant to the VMS Agreement
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the Board
Wing Hing International (Holdings) Limited
Ng Tat Leung, George
Chairman

Hong Kong, 10 August 2009

As at the date of this announcement, the board comprises 10 Directors. The executive Directors are Mr. Ng Tat Leung, George, Mr. Wong Teck Ming, Ms. Leung Pui Kwan, Dr. Peter He, Mr. Shen Junchen and Mr. Chan Wah Fan. The non-executive Director is Ms. Yuen Sau Ying, Christine. The independent non-executive Directors are Dr. Leung Wai Cheung, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung.