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WING HING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 621)



VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

VERY SUBSTANTIAL ACQUISITION

On 10 January 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Share and the Sale Loan for a total consideration of HK\$250,000,000.

The aggregate consideration for the Sale Share and the Sale Loan shall be the sum of HK\$250,000,000 and shall be settled by the Purchaser in the following manner: (a) HK\$80,000,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to the Vendor credited as fully paid, at the Issue Price on Completion; (b) HK\$50,000,000 shall be payable in cash by the Purchaser to the Vendor on Completion; and (c) the balance of HK\$120,000,000 shall be satisfied by the Purchaser procuring the Company to issue the Promissory Note to the Vendor on Completion.

The Acquisition constitutes a very substantial acquisition on the part of the Company under the Listing Rules and is subject to the approval of the Shareholders at the SGM. Each of the Vendor and her associates is an Independent Third Party and does not hold any Shares as at the date of this announcement. Accordingly, no Shareholder is required to abstain from voting at the SGM. A circular containing, among other matters, further details of the Acquisition and a notice to convene the SGM will be despatched to the Shareholders in compliance with the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 11 January 2008 pending the release of this announcement at the request of the Company. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 January 2008.

THE SALE AND PURCHASE AGREEMENT

Date: 10 January 2008

Parties: (1) Purchaser : CWS International Trading Limited, a wholly owned subsidiary of the Company

(2) Vendor : Ms Liu Pui Lan, an Independent Third Party

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and her associates is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell: (i) the Sale Share, representing the entire issued share capital of the Target as at the date of this announcement; and (ii) the Sale Loan, which amounts to approximately HK\$90,020,492 as at 31 December 2007.

Consideration

The Consideration for the sale and purchase of the Sale Share shall be satisfied by the Purchaser in the following manner:

- (a) HK\$80,000,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to the Vendor credited as fully paid, at the Issue Price on Completion;
- (b) HK\$50,000,000 shall be payable in cash by the Purchaser to the Vendor on Completion; and
- (c) the balance of HK\$120,000,000 shall be satisfied by the Purchaser procuring the Company to issue the Promissory Note to the Vendor on Completion.

The Consideration was determined with reference to the valuation of the PRC Subsidiary by Asset Appraisal Limited, an independent valuer. The PRC Subsidiary was preliminarily valued by at HK\$780,000,000 as at 31 December 2007 by adopting the market approach to value the PRC Subsidiary. The market approach provides indications of value of a business by measuring a multiple computed by dividing the price of the comparable companies shares by their relevant economic variable of revenue. A valuation report will be included in the circular in relation to the Acquisition to be despatched to the Shareholders pursuant to the Listing Rules.

The Consideration for the Sale Share and the Sale Loan was agreed between the Vendor and the Purchaser after arm's length negotiations after considering: (i) the valuation of the PRC Subsidiary and the indirect interests of the Target in 55% of the registered capital of the PRC Subsidiary; and (ii) the belief of the Directors that the Acquisition will provide stable income source for the Group. As such, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion shall be conditional upon and subject to:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group;
- (b) all necessary consents and approvals required to be obtained on the part of the Vendor and the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (c) the passing by the Shareholders at the SGM to be convened and held of an ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated hereunder, including but not limited to: (i) the allotment and issue of the Consideration Shares to the Vendor, credited as fully paid; and (ii) the execution of the Promissory Note;
- (d) the Purchaser having received from a firm of professional surveyors and valuers chosen by the Purchaser, a property valuation report on the PRC Subsidiary showing the value of the business as at 31 December 2007 to be not less than HK\$780,000,000;
- (e) the warranties provided by the Vendor under the Sale and Purchase Agreement remaining true and accurate in all respects;
- (f) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares; and
- (g) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Consideration Shares.

Conditions (a), (d) and (e) are waivable by the Purchaser under the Sale and Purchase Agreement. The Purchaser has no current intention to waive such conditions. If the conditions have not been satisfied (or as the case may be, waived by the Purchaser) on or before 30 April 2008, or such later date as the Vendor and the Purchaser may agree, the Sale and Purchase Agreement shall cease and determine, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place at 4:00 p.m. on the date falling two Business Days after the fulfilment (or waiver) of the conditions or such later date as may be agreed between the Vendor and the Purchaser.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company.

There is no current intention for the Vendor to nominate any Director to the Board.

THE CONSIDERATION SHARES

The 14,700,000 Consideration Shares will be issued at the Issue Price of approximately HK\$5.44 per Consideration Share, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares then in issue on the date of allotment and issue of the Consideration Shares.

The Issue Price represents: (i) a premium of approximately 128.57% over the closing price of HK\$2.38 per Share as quoted on the Stock Exchange on 10 January 2008, being the date of the Sale and Purchase Agreement; (ii) a premium of approximately 148.40% over the average of the closing prices of approximately HK\$2.19 per Share for the last five consecutive trading days up to and including 10 January 2008, being the date of the Sale and Purchase Agreement; and (iii) a premium of approximately 83.78% over the net asset value per Share of approximately HK\$2.96 based on the audited consolidated financial statements of the Group as of 31 March 2007.

The Issue Price was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to various factors including the closing prices of the Shares as set out above. The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable.

The Consideration Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM and will be allotted and issued on the date of Completion.

The Consideration Shares represent approximately 27.07% of the existing issued share capital of the Company and approximately 21.30% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Vendor undertakes to and covenants with the Purchaser that she will not, within the period commencing on the date of Completion and ending on the date falling six months after Completion, transfer or otherwise dispose of or create any encumbrance or other rights in respect of any of the Consideration Shares or any interests therein in respect of any of the Consideration Shares.

The Vendor further undertakes to and covenants with the Purchaser that she will not, without prior written consent of the Purchaser, within a further six months commencing on the expiry of the six month period referred to in the above paragraph, transfer or otherwise dispose of or create any encumbrance or other rights in respect of any of the Consideration Shares if, immediately following such disposal the Vendor would cease to be a substantial Shareholder (as defined in the Listing Rules).

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 Consideration Shares.

TERMS OF PROMISSORY NOTE

The terms of the Promissory Note have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer

The Company

Principal amount

HK\$120,000,000

Interest

The Promissory Note carries no interest.

Maturity

A fixed term of five years from the date of issue of the Promissory Note.

Early repayment

The Company could, at its option, repay the Promissory Note in whole or in part in multiples of HK\$10,000,000 by giving a prior written notice to the Vendor, commencing on the date of the Promissory Note up to the date immediately prior to the maturity date of the Promissory Note. There will not be any premium or discount to the payment obligations under the Promissory Note for any early repayment.

Assignment

The Promissory Note may be transferred or assigned by the holder of the Promissory Note to any party other than a connected person of the Company in multiples of HK\$10,000,000.

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and before Completion; and (ii) immediately after Completion and the allotment and issue of the Consideration Shares:

Shareholders	As at the date of this announcement and before Completion		Immediately after Completion and the allotment and issue of the Consideration Shares	
	<i>No. of Shares</i>	<i>Approximate%</i>	<i>No. of Shares</i>	<i>Approximate%</i>
Mr Ng Tat Leung, George (<i>Note 1</i>)	4,917,369	9.06	4,917,369	7.13
Mr Lui Siu Yee, Samuel	30,600	0.05	30,600	0.04
Mr Wong Teck Ming (<i>Note 1</i>)	30,000	0.05	30,000	0.04
Total Success Worldwide Limited (<i>Note 1</i>)	10,772,700	19.84	10,772,700	15.61
Grand Legend Limited (<i>Note 2</i>)	10,775,081	19.84	10,775,081	15.62
The Vendor	–	–	14,700,000	21.30
Public Shareholders				
Complete Success Limited (<i>Note 3</i>)	3,587,550	6.61	3,587,550	5.20
Other public Shareholders	<u>24,186,700</u>	<u>44.55</u>	<u>24,186,700</u>	<u>35.06</u>
Total public Shareholders	<u>27,774,250</u>	<u>51.16</u>	<u>27,774,250</u>	<u>40.26</u>
Total:	<u><u>54,300,000</u></u>	<u><u>100.00</u></u>	<u><u>69,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. The issued share capital of Total Success Worldwide Limited is owned as to approximately 46.46 % by Mr Chan Mo Yan, deceased, as to approximately 46.46 % by Mr Ng Tat Leung, George, the chairman of the Company and the managing Director, and as to approximately 7.08 % by Mr Wong Teck Ming, an executive Director.
2. The entire issued share capital of Grand Legend Limited is owned by Mr Lo Chun Yang. Ms Loh Siu Yin, Lulu is the spouse of Mr Lo Chun Yang.
3. The entire issued share capital of Complete Success Limited is owned by Ms Li Dan Dan. Complete Success Limited currently holds 5,681,818 warrants of the Company upon exercise of which 5,681,818 Shares are to be issued.

INFORMATION ON THE TARGET GROUP

The Target was incorporated in the British Virgin Islands on 17 August 2007 and is principally engaged in investment holding. The HK Subsidiary, a direct wholly-owned subsidiary of the Target, was incorporated in Hong Kong on 11 January 2007. The PRC Subsidiary, a 55% owned subsidiary of the HK Subsidiary, was established in the PRC on 30 October 2007 and is principally engaged in development and management of a series of sophora products and development and management of biological vegetable oil, including sunflower oil. The remaining 45% of the registered capital of the PRC Subsidiary is beneficially owned by 內蒙古苦豆籽投資有限公司 (Inner Mongolia Sophora Investment Company Limited#), which is an Independent Third Party.

Sophora is a genus of trees and shrubs, and a few perennial herbs, in which the leaves are alternate, usually pinnate with numerous leaflets and with stipules. Sophora is extensively used in Chinese medicine and is recognised for its effectiveness in dispelling heat (清熱), drying dampness (祛濕), expelling wind (除風), and eliminating intestinal parasites (杜蟲).

Sunflower oil is the non-volatile oil extracted from sunflower seeds. Sunflower oil is high in the essential vitamin E and low in saturated fat and is recognised for its effectiveness in reducing the risk of coronary heart disease. Studies of adults suggested that a balanced diet in which small quantities of saturated fats are replaced with sunflower oil has detectable cholesterol-reducing benefits. Research suggests that lower cholesterol levels can be caused by balances of polyunsaturated and monounsaturated fatty acids. Sunflower oil may help with this balance.

As of 31 December 2007, the PRC Subsidiary has secured collectively-owned land use rights of a parcel of agricultural land at the south of Jiba Highway, Da Qi Wu Lan Xiang Wu Lan Cu, Inner Mongolia Autonomous Region, the PRC, with a total land area for plantation base agriculture of 82,040 acres. The PRC Subsidiary has a right to rent an additional parcel of land with a total land area of 362,960 acres for a term of two years with a consideration of RMB2.00 (equivalent to approximately HK\$2.13) per acre for two years from 內蒙古苦豆籽投資有限公司 (Inner Mongolia Sophora Investment Company Limited#) for plantation of sophora and oilseed sunflower. The capital expenditure of HK\$32 million is required for site formation works and acquisition of production equipments and it is expected that it will take approximately one year for the completion of such works.

According to the unaudited consolidated management accounts of the Target Group prepared under the Hong Kong accounting standard, for period commencing from 17 August 2007 to 31 December 2007, the net loss before and after taxation was approximately HK\$27,000. The net liabilities of the Target Group were approximately HK\$27,000 as at 31 December 2007.

Capital commitment

As at the date of this announcement, the HK Subsidiary has an outstanding capital commitment to the PRC Subsidiary in the amount of US\$4,932,500 (equivalent to approximately HK\$38,375,000), which will be payable by the HK Subsidiary on or before 19 December 2009. Upon Completion, the HK Subsidiary will become an indirect non-wholly owned subsidiary of the Company and the outstanding capital commitment to the PRC Subsidiary will be payable by the Group.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in superstructure construction, foundation piling, substructure works, slope improvement, special construction projects and interior decoration works in Hong Kong and the PRC.

During the recent years, the Group has experienced fierce competition from other market competitors in tendering construction projects in both the private and public sectors. The difficult market conditions in the local construction industry have caused the Group to take a fresh look at its core business. In this regard, the Group has been actively exploring new business opportunities with a view to diversify its existing business. Nevertheless, the Director has no current intention to discontinue with the existing business of the Group.

The Directors consider that the Acquisition represents a good opportunity for the Group to diversify its existing businesses. Taking into account of the potential of the market for biological vegetable oil is tremendous, the Board is of the view that the terms and conditions of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a very substantial acquisition on the part of the Company under the Listing Rules and is subject to the approval of the Shareholders at the SGM. Each of the Vendor and her associates is an Independent Third Party and does not hold any Shares as at the date of this announcement. Accordingly, no Shareholder is required to abstain from voting at the SGM. A circular containing, among other matters, further details of the Acquisition and a notice to convene the SGM will be despatched to the Shareholders in compliance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 11 January 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 January 2008.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the Sale Loan by the Purchaser as contemplated under the Sale and Purchase Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules

“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
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	the consideration of HK\$250,000,000 payable by the Purchaser to the Vendor for the Acquisition and to be satisfied in the manner as described in this announcement
“Consideration Shares”	14,700,000 new Shares to be allotted and issued
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK Subsidiary”	Asia Biodiesel and Renewable Energy (Mongolia) Company Limited, a direct wholly-owned subsidiary of the Target
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Issue Price”	the issue price of approximately HK\$5.44 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“PRC Subsidiary”	內蒙古蒙威生物油環保製品有限公司 (transliterated as Inner Mongolia Meng Wei Biodiesel and Environmental Protection Products Company Limited#), a Chinese-foreign joint-venture enterprise established in the PRC, is an indirect non-wholly owned subsidiary of the Target, 55% of the registered capital of which is beneficially owned by the HK Subsidiary
“Promissory Note”	the promissory note to be executed by the Company in favour of the Vendor for the purpose of settling partially the consideration for the Sale Share and the Sale Loan under the Sale and Purchase Agreement
“Purchaser”	CWS International Trading Limited, a wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 10 January 2008 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Share and the Sale Loan
“Sale Share”	one ordinary share of US\$1.00 in the issued share capital of the Target, representing the entire issued share capital of the Target
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target to the Vendor on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion which as at 31 December 2007, amounted to HK\$90,020,492
“SGM”	the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares and the issue of the Promissory Note
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Farrell Global Limited, a company incorporated in the British Virgin Islands, whose entire issued share capital is beneficially owned by the Vendor
“Target Group”	the Target, the HK Subsidiary and the PRC Subsidiary or where the context so requires in respect of the period before the Target became the holding company of its present subsidiaries, the present subsidiaries of the Target
“Vendor”	Ms Liu Pui Lan, an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the RPC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ and US\$ into HK\$ are based on the approximate exchange rate of RMB94 to HK\$100 and US\$1.00 to HK\$7.78 respectively.

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

Hong Kong, 14 January 2008

the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

As at the date of this announcement, the executive Directors are Mr Ng Tat Leung, George, Mr Wong Teck Ming, Mr Lui Siu Yee, Samuel, Mr Chan Wai Keung, Ivan and Mr Lo Chung Sun, Simon. The independent non-executive Directors are Mr Wong Lit Chor, Alexis, Dr Leung Wai Cheung and Mr Lo Ka Wai.