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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 20 June 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 Shares for the Consideration of HK\$210,000,000.

The Consideration for the sale and purchase of the Sale Shares shall be satisfied by the Purchaser in the following manner: (a) HK\$50,000,000 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 at Completion; (b) HK\$120,000,000 satisfied by the Purchaser procuring the Company to issue the First Promissory Note to the Vendor at Completion; and (c) the balance of HK\$40,000,000 shall be satisfied by the Purchaser procuring the Company to issue the Second Promissory Note to the Vendor at 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, an independent technical report on the Coal Mines 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 23 June 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 9 July 2008.

THE SALE AND PURCHASE AGREEMENT

Date: 20 June 2008

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

(2) Vendor : Ms Cheung Oi Chun, an Independent Third Party

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor has no relationship, including prior business relationship, with the Directors and the substantial shareholders of the Company; and (ii) 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 the Sale Shares, representing 70% of the entire issued share capital of the Target immediately prior to Completion.

Consideration

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

- (a) HK\$50,000,000 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 at Completion;
- (b) HK\$120,000,000 satisfied by the Purchaser procuring the Company to issue the First Promissory Note to the Vendor at Completion; and
- (c) the balance of HK\$40,000,000 shall be satisfied by the Purchaser procuring the Company to issue the Second Promissory Note to the Vendor at Completion.

The Consideration was determined with reference to the recent merger and acquisition transactions from publicly available information involving acquisition of coal mines or companies that are principally engaged in the coal mining business in the PRC. Their transaction prices have been analysed in term of price per ton of coal resources.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations after considering: (i) the estimate value of the Coal Mines of approximately RMB300,000,000 calculated based on the estimated total resources of the Coal Mines of approximately 61.19 million tons as estimated in the preliminary technical report prepared by SRK Consulting, a mining engineering consultant and an Independent Third Party, and the price per ton of coal resources which is approximately RMB4.9 per ton, which was calculated with reference to the prices per ton of coal resources of RMB1.90 to RMB24.94 for the coal mine acquisition transactions in the PRC by companies listed on the Stock Exchange in the previous three years; (ii) the prospect of the coal mining industry in the PRC; and (iii) based on the estimated total coal resources of the Coal Mines of 61,190,000 tons and the aggregate production capacity of the Coal Mines of 370,000 tons of coal per year in 2007, the sale of coal from the Coal Mines will provide a stable income source for the Group. As (i) the price of coal has increased from approximately RMB430 per ton on the date of the Mining Licences Agreement to approximately RMB650 per ton on the date of the Sale and Purchase Agreement; (ii) without the Vendor, the Group will not have the connections to identify suitable mining licences to acquire; (iii) the government of Guizhou province has implemented a policy such that coal mines with a production capacity of 30,000 tons or less such as the Tiechong Coal Mine and the Shuishan Coal Mine will be shut down, which may have lowered the acquisition cost of each of the Coal Mines; and (iv) the estimate value of the Coal Mines of approximately RMB300,000,000, the Directors consider that significant premium of the Consideration over the original acquisition costs under the Mining Licences Agreement is justifiable. 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, the Purchaser and the Company in respect of the Sale and Purchase Agreement, the Lushan Agreement, the Tiechong Agreement, the Xinghe Agreement, the Shuishan Agreement, the Dayan Agreement and the transactions contemplated thereunder having been obtained;
- (c) the passing by the Shareholders at a general meeting of the Company 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 the allotment and issue of the Consideration Shares to the Vendor or its nominees credited as fully paid to the Vendor or its nominees;

- (d) the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser) in relation to the transactions contemplated under the Sale and Purchase Agreement;
- (e) the warranties as set out in 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;
- (g) if necessary, the approval of the Bermudan Monetary Authority in respect of the issue and allotment of the Consideration Shares;
- (h) the obtaining of a technical report prepared by an independent technical personnel appointed by the Purchaser (in form and substance satisfactory to the Purchaser and the Vendor) showing the proven reserves of the mines beneficially owned by the Target Group to be not less than 60 million tons;
- (i) completion of the Fund Raising Exercise by the Company;
- (j) completion of the Capitalisation; and
- (k) the obtaining of the extension of the time for the partial capital contribution by the HK Subsidiary to the PRC Subsidiary in the amount of US\$3,760,000 (equivalent to approximately HK\$29,253,000) initially payable by the HK Subsidiary on 15 June 2008.

Conditions (a) and (d) are waivable by the Purchaser under the Sale and Purchase Agreement and conditions (b) and (e) are waivable by both the Purchaser and the Vendor under the Sale and Purchase Agreement. The Purchaser and the Vendor have 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 September 2009, 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.

It is proposed that the Company will issue the Convertible Notes to fund part of the Consideration. As set out in the announcement of the Company dated 2 April 2008, the Company entered into a non legally binding term sheet with an institutional investor in relation to the issue of the Convertible Notes with a principal amount of RMB250 million by the Company. The Company is in the progress of negotiating the terms of the Convertible Notes with the institutional investor. Further announcement in relation to the issue of the Convertible Notes will be made by the Company as and when appropriate. The Company will comply with the relevant Listing Rules when entering into of the agreement in relation to the Fund Raising Exercise, including the issue of the Convertible Bonds.

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.

Completion shall take place simultaneously with the completion of the Mining Licences Agreements.

Upon Completion, the Target will become an indirect 70% non 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 10,000,000 Consideration Shares will be issued at the Issue Price of HK\$5.00 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 168.82% over the closing price of HK\$1.86 per Share as quoted on the Stock Exchange on 20 June 2008, being the date of the Sale and Purchase Agreement; (ii) a premium of approximately 161.78% over the average of the closing prices of approximately HK\$1.91 per Share for the last five consecutive trading days up to and including 20 June 2008, being the date of the Sale and Purchase Agreement; and (iii) a premium of approximately 68.92% 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 net asset value per Share as set out above. The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and issue of the Consideration Shares at the Issue Price is in the interest of the Company and the Shareholders as a whole.

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 14.49% of the existing issued share capital of the Company and approximately 12.66% 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 12 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.

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 FIRST PROMISSORY NOTE

The terms of the First 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 First Promissory Note carries interest at the rate of 2.7% per annum payable in arrears on the date of repayment of the First Promissory Note.

Maturity

A fixed term of three months from the date of issue of the First Promissory Note.

Early repayment

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

Assignment

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

TERMS OF SECOND PROMISSORY NOTE

The terms of the Second 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\$40,000,000

Interest

The Second Promissory Note carries interest at the rate of 4% per annum payable annually in arrears.

Maturity

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

Early repayment

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

Assignment

The Second Promissory Note may be transferred or assigned by the holder of the Second 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	7.13	4,917,369	6.22
Mr Lui Siu Yee, Samuel	30,600	0.04	30,600	0.04
Mr Wong Teck Ming (<i>Note 1</i>)	30,000	0.04	30,000	0.04
Total Success Worldwide Limited (<i>Note 1</i>)	10,772,700	15.61	10,772,700	13.64
Grand Legend Limited (<i>Note 2</i>)	5,750,000	8.33	5,750,000	7.28
Liu Pui Lan	11,700,000	16.96	11,700,000	14.81
The Vendor	–	–	10,000,000	12.66
Public Shareholders	<u>35,799,331</u>	<u>51.89</u>	<u>35,799,331</u>	<u>45.31</u>
Total:	<u>69,000,000</u>	<u>100.00</u>	<u>79,000,000</u>	<u>100.00</u>

Notes:

1. The issued share capital of Total Success Worldwide Limited is owned as approximately 92.92% 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.

INFORMATION ON THE TARGET GROUP

The Target

The Target was incorporated in the British Virgin Islands on 6 June 2007 and is principally engaged in investment holding. As at the date of this announcement, one share of US\$1.00 each in the issued share capital of the Target, representing the entire issued share capital of the Target, was held by the Vendor. Prior to Completion, the Target shall capitalise the Loan by issuing 99 shares of US\$1.00 in the capital of the Target to the Vendor.

The Target Group

The HK Subsidiary, a direct wholly-owned subsidiary of the Target, was incorporated in Hong Kong on 12 September 2007. The PRC Subsidiary, a direct wholly-owned subsidiary of the HK Subsidiary, was established in the PRC on 14 January 2008 and is principally engaged in metal refining, coal exploitation and trading. The PRC Subsidiary entered into the Lushan Agreement, the Tiechong Agreement, the Xinghe Agreement, the Shuishan Agreement and the Dayan Agreement for the acquisition of the Mining Licences. Upon completion of the Lushan Agreement, the Tiechong Agreement, the Xinghe Agreement, the Shuishan Agreement and the Dayan Agreement, the PRC Subsidiary will become the holder of the Mining Licences.

According to the unaudited consolidated management accounts of the Target Group prepared under the Hong Kong accounting standard, for period commencing from 6 June 2007 to 31 March 2008, the net loss before and after taxation was approximately HK\$18,000. The net liabilities of the Target Group were approximately HK\$18,000 as at 31 March 2008.

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\$9,160,000 (equivalent to approximately HK\$71,265,000), of which US\$3,760,000 (equivalent to approximately HK\$29,253,000) was payable by the HK Subsidiary on or before 15 June 2008 and the remaining US\$4,400,000 (equivalent to approximately HK\$34,232,000) will be payable by the HK Subsidiary on or before 14 January 2009. Upon Completion, the HK Subsidiary will become an indirect non wholly-owned subsidiary of the Company and the entire amount of the outstanding capital commitment to the PRC Subsidiary will be payable by the Group. Part of the outstanding capital commitment will be used by the PRC Subsidiary as the payment of the balance of the consideration under the Mining Licences Agreements.

The payment of the outstanding capital commitment by the Group is part and parcel to the Acquisition and has been agreed between the parties after arm's length negotiation. The Consideration was agreed by the parties to the Sale and Purchase Agreement after taking into account that the outstanding capital commitment is to be payable by the Group. As such, the Directors consider that the payment of the capital commitment, viewed together with other terms of the Acquisition, is fair and reasonable.

The Directors expect that further capital contribution by Group will be made to the PRC Subsidiary, which will be used to increase the production capacity of the Coals Mines. The Directors intend to fund the further capital contribution by part of the proceeds from the issue of the Convertible Notes.

Tiechong Agreement

The PRC Subsidiary entered into the Tiechong Agreement with Su Jian Feng and Shen Jun Chen on 28 April 2008 to acquire the Tiechong New Licence which will have an annual production capacity of 90,000 tons of coal and to rent the ancillary facilities for 30 years at the consideration of RMB3,600,000 and RMB10,000 respectively. The consideration for the Tiechong New Licence shall be satisfied by the PRC Subsidiary in the following manner:

- (a) RMB500,000 shall be payable on the date of signing of the Tiechong Agreement;
- (b) 15% of the consideration is payable within the next day after the Tiechong New Enterprise obtaining the business licence;
- (c) 5% of the consideration is payable within three days after the receipt of the written notice from the Tiechong New Enterprise notifying that the Tiechong New Licence has been obtained;
- (d) 5% of the consideration is payable within seven days after obtaining all necessary approval, permit or consent in relation to the Tiechong New Licence;
- (e) 10% of the consideration is payable within seven days after the PRC Subsidiary or its nominees becoming the beneficial owner of the Tiechong New Licence and holder of the ancillary facilities; and
- (f) subject to the completion of (a) to (e) above, 65% of the consideration is payable on 1 February 2009.

The Tiechong Agreement shall be conditional upon and subject to:

- (a) the Stock Exchange and/or other relevant authorities unconditionally approve the transfer of the Tiechong New Licence; and
- (b) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Tiechong Licence and other related legal documents (including but not limited to legal, financial and business), which shall commence on the third day after the establishment of the Tiechong New Enterprise and shall end on the 30th day after the establishment of the Tiechong New Enterprise.

Within five days after the satisfaction of the conditions, the parties to the Tiechong Agreement shall enter into the Tiechong Formal Agreement.

Pursuant to the Tiechong Agreement, within 150 working days after the signing of the Tiechong Agreement, (i) the Tiechong New Enterprise shall obtain the business licence; and (ii) the Tiechong New Enterprise shall obtain the Tiechong New Licence.

Su Jian Feng and Shen Jun Chen shall, within five days after the Tiechong New Enterprise obtaining the business licence and the Tiechong New Licence, procure the Tiechong New Enterprise and the PRC Subsidiary or its nominees to enter to the Tiechong Formal agreement and shall within 150 working days after the signing of the Tiechong Formal agreement obtain all necessary governmental approval, permit or consent for the completion of the acquisition of the Tiechong New Licence. Based on the representation of the Vendor, the parties to the Tiechong Agreement agreed in the Tiechong Agreement to enter into the Tiechong Formal Agreement for the protection of the Vendor.

It is expected that completion of the acquisition of the Tiechong New Licence shall take place on or before 4 August 2009.

As at the date of this announcement, the PRC Subsidiary had paid RMB500,000 as deposit to Su Jian Feng and Shen Jun Chen which shall form part payment for the consideration under the Tiechong Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of Su Jian Feng and Shen Jun Chen has no relationship, including prior business relationship, with the directors and the substantial shareholders of the Company or the Vendor; and (ii) each of Su Jian Feng and Shen Jun Chen is an Independent Third Party.

Based on the representation of the Vendor, the consideration was arrived at arm's length negotiations between the Vendor, Su Jian Feng and Shen Jun Chen with reference to various factors including (i) coal mines production capacity; (ii) location of the mines; and (iii) the government of Guizhou province has implemented a policy such that coal mines with a production capacity of 30,000 tons or less such as the Tiechong Coal Mine will be shut down, which may have lowered the acquisition cost of each of the Coal Mines.

As at the date of this announcement, the parties of the Teichong Agreement are obtaining the approval from the Ministry of Land and Resources PRC for the Teichong Agreement and the transactions contemplated thereunder.

Xinghe Agreement

The PRC Subsidiary entered into the Xinghe Agreement with Bian Zhuan Zhe and Shen Jun Chen on 28 April 2008 to acquire the Xinghe New Licence which will have an annual production capacity of 150,000 tons of coal and to rent the ancillary facilities for 30 years at the consideration of RMB9,500,000 and RMB10,000 respectively.

The consideration for the Xinghe New Licence shall be satisfied by the PRC Subsidiary in the following manner:

- (a) RMB500,000 shall be payable on the date of signing of the Xinghe Agreement;
- (b) 10% of the consideration is payable within two days after the Xinghe New Enterprise obtaining the business licence;
- (c) 5% of the consideration is payable within three days after the receipt of the written notice from the Xinghe New Enterprise notifying that the Xinghe New Licence has been obtained;
- (d) 5% of the consideration is payable within five days after obtaining all necessary approval, permit or consent in relation to the Xinghe New Licence;
- (e) 15% of the consideration is payable within three days after the PRC Subsidiary or its nominees becoming the beneficial owner of the Xinghe New Licence and holder of the ancillary facilities; and
- (f) subject to the completion of (a) to (e) above, 65% of the consideration is payable on 1 February 2009.

The Xinghe Agreement shall be conditional upon and subject to:

- (a) the Stock Exchange and/or other relevant authorities unconditionally approve the transfer of the Xinghe New Licence; and
- (b) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Xinghe Licence and other related legal documents (including but not limited to legal, financial and business), which shall commence on the third day after the establishment of the Xinghe New Enterprise and shall end on the 30th day after the establishment of the Xinghe New Enterprise.

Within five days after the satisfaction of the conditions, the parties to the Xinghe Agreement shall enter into the Xinghe Formal Agreement.

Pursuant to the Xinghe Agreement, within 150 working days after the signing of the Xinghe Agreement, (i) the Xinghe New Enterprise shall obtain the business licence; and (ii) the Xinghe New Enterprise shall obtain the Xinghe New Licence.

Bian Zhuan Zhe and Shen Jun Chen shall, within 30 days after the Xinghe New Enterprise obtaining the business licence and the Xinghe New Licence, procure the Xinghe New Enterprise and the PRC Subsidiary or its nominees to enter to the Xinghe Formal Agreement and shall within 150 working days after the signing of the Xinghe Formal Agreement obtain all necessary governmental approval, permit or consent for the completion of the acquisition of the Xinghe New Licence. Based on the representation of the Vendor, the parties to the Xinghe Agreement agreed in the Xinghe Agreement to enter into the Xinghe Formal Agreement for the protection of the Vendor.

It is expected that completion of the acquisition of the Xinghe New Licence shall take place on or before 4 August 2009.

As at the date of this announcement, the PRC Subsidiary has already paid RMB500,000 as deposit to Bian Zhuan Zhe and Shen Jun Chen which shall form part payment for the consideration under the Xinghe Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of Bian Zhuan Zhe and Shen Jun Chen has no relationship, including prior business relationship, with the directors and the substantial shareholders of the Company or the Vendor; and (ii) each of Bian Zhuan Zhe and Shen Jun Chen is an Independent Third Party.

Based on the representation of the Vendor, the consideration was arrived at arm's length negotiations between the Vendor, Bian Zhuan Zhe and Shen Jun Chen with reference to various factors including (i) coal mines production capacity; and (ii) location of the mines.

As at the date of this announcement, the parties of the Xinghe Agreement are obtaining the approval from the Ministry of Land and Resources PRC for the Xinghe Agreement and the transactions contemplated thereunder.

Shuishan Agreement

The PRC Subsidiary entered into the Shuishan Agreement with Huang Xue Yun and Shen Jun Chen on 28 April 2008 to acquire the Shuishan New Licence which will have an annual production capacity of 90,000 tons of coal and to rent the ancillary facilities for 30 years at the consideration of RMB3,600,000 and RMB10,000 respectively. The consideration for the Shuishan New Licence shall be satisfied by the PRC Subsidiary in the following manner:

- (a) RMB500,000 shall be payable on the date of signing of the Shuishan Agreement;
- (b) 15% of the consideration is payable within the next day after the Shuishan New Enterprise obtaining the business licence;
- (c) 5% of the consideration is payable within three days after the receipt of the written notice from the Shuishan New Enterprise notifying that the Shuishan New Licence has been obtained;
- (d) 5% of the consideration is payable within seven days after obtaining all necessary approval, permit or consent in relation to the Shuishan New Licence;
- (e) 10% of the consideration is payable on the day the PRC Subsidiary or its nominees becoming the beneficial owner of the Shuishan New Licence and holder of the ancillary facilities; and

(f) subject to the completion of (a) to (e) above, 65% of the consideration is payable on 1 February 2009.

The Shuishan Agreement shall be conditional upon and subject to:

- (a) the Stock Exchange and/or other relevant authorities unconditionally approve the transfer of the Shuishan New Licence; and
- (b) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Shuishan Licence and other related legal documents (including but not limited to legal, financial and business), which shall commence on the third day after the establishment of the Shuishan New Enterprise and shall end on the 30th day after the establishment of the Shuishan New Enterprise.

Within five days after the satisfaction of the conditions, the parties to the Shuishan Agreement shall enter into the Shuishan Formal Agreement.

Pursuant to the Shuishan Agreement, within 150 working days after the signing of the Shuishan Agreement, (i) the Shuishan New Enterprise shall obtain the business licence; and (ii) the Shuishan New Enterprise shall obtain the Shuishan New Licence.

Huang Xue Yun and Shen Jun Chen shall, within 30 days after the Shuishan New Enterprise obtaining the business licence and the Shuishan New Licence, procure the Shuishan New Enterprise and the PRC Subsidiary or its nominees to enter to the Shuishan Formal Agreement and shall within 150 working days after the signing of the Shuishan Formal Agreement obtain all necessary governmental approval, permit or consent for the completion of the acquisition of the Shuishan New Licence. Based on the representation of the Vendor, the parties to the Shuishan Agreement agreed in the Shuishan Agreement to enter into the Shuishan Formal Agreement for the protection of the Vendor.

It is expected that completion of the acquisition of the Shuishan New Licence shall take place on or before 4 August 2009.

As at the date of this announcement, the PRC Subsidiary has already paid RMB500,000 as deposit to Huang Xue Yun and Shen Jun Chen which shall form part payment for the consideration under the Shuishan Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of Huang Xue Yun and Shen Jun Chen has no relationship, including prior business relationship, with the directors and the substantial shareholders of the Company or the Vendor; and (ii) each of Huang Xue Yun and Shen Jun Chen is an Independent Third Party.

Based on the representation of the Vendor, the consideration was arrived at arm's length negotiations between the Vendor, Huang Xue Yun and Shen Jun Chen with reference to various factors including (i) coal mines production capacity; (ii) location of the mines; and (iii) the government of Guizhou

province has implemented a policy such that coal mines with a production capacity of 30,000 tons or less such as the Shuishan Coal Mine will be shut down, which may have lowered the acquisition cost of each of the Coal Mines.

As at the date of this announcement, the parties of the Shuishan Agreement are obtaining the approval from the Ministry of Land and Resources PRC for the Shuishan Agreement and the transactions contemplated thereunder.

Lushan Agreement

The PRC Subsidiary (as defined herein) entered into the Lushan Agreement with 凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine[#]) on 28 April 2008 to acquire the Lushan Licence which has an annual production capacity of 90,000 tons of coal and to rent the ancillary facilities for 30 years at the consideration of RMB5,500,000 and RMB10,000 respectively.

The consideration for the Lushan Licence shall be satisfied by the PRC Subsidiary in the following manner:

- (a) RMB500,000 shall be payable within three days after the list of assets relating to the Lushan Licence is being prepared;
- (b) 20% of the consideration is payable within three days after the PRC Subsidiary or its nominees becoming the beneficial owner of the Lushan Licence and holder of the ancillary facilities;
- (c) 15% of the consideration is payable within 10 days upon the normal operation of the Lushan Coal Mine under the Lushan Licence; and
- (d) subject to the completion of (a) to (c) above, 65% of the consideration is payable on 1 February 2009.

The consideration for the renting of the ancillary facilities shall be satisfied by the PRC Subsidiary within two days after the Lushan Licence is beneficially owned by the PRC Subsidiary.

凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine[#]) shall within 150 days after the signing of the Lushan Agreement obtain the relevant approval from Guizhou Ministry of Land and Resources for (i) the Lushan Agreement; and (ii) the transfer the Lushan Licence to the PRC Subsidiary.

It is expected that completion of the acquisition of the Lushan Licence shall take place on or before 4 August 2009.

As at the date hereof, the PRC Subsidiary has already paid RMB500,000 as deposit to 凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine[#]) which shall form part payment for the consideration under the Lushan Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) 凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine[#]) has no relationship, including prior business relationship, with the directors and the substantial shareholders of the Company or the Vendor; and (ii) 凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine[#]) is an Independent Third Party.

Based on the representation of the Vendor, the consideration was arrived at arm's length negotiations between the Vendor and 凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine[#]) with reference to various factors including (i) coal mines production capacity; and (ii) location of the mines, which may have lowered the acquisition cost of each of the Coal Mines.

As at the date of this announcement, the parties of the Lushan Agreement are obtaining the approval from the Ministry of Land and Resources PRC for the Lushan Agreement and the transactions contemplated thereunder.

Dayan Agreement

The PRC Subsidiary entered into the Dayan Agreement with Shen Jun Chen on 29 April 2008 to acquire the Dayan New Licence which will have an annual production capacity of 450,000 tons of coal and to rent the ancillary facilities for 30 years at the consideration of RMB11,000,000 and RMB10,000 respectively. The consideration for the Dayan New Licence shall be satisfied by the PRC Subsidiary in the following manner:

- (a) RMB500,000 shall be payable on the date of signing of the Dayan Agreement;
- (b) 10% of the consideration is payable within the next day after the Dayan New Enterprise obtaining the business licence;
- (c) 5% of the consideration is payable within three days after the receipt of the written notice from the Dayan New Enterprise notifying that the Dayan New Licence has been obtained;
- (d) 5% of the consideration is payable within three days after obtaining all necessary approval, permit or consent in relation to the Dayan New Licence;
- (e) 10% of the consideration is payable within three days after the PRC Subsidiary or its nominees becoming the beneficial owner of the Dayan New Licence and holder of the ancillary facilities;
- (f) 5% of the consideration is payable within 60 days upon the normal operation of the Dayan Coal Mine under the Dayan New Licence; and
- (g) subject to the completion of (a) to (e) above, 65% of the consideration is payable on 1 February 2009.

The Dayan Agreement shall be conditional upon and subject to:

- (a) the Stock Exchange and/or other relevant authorities unconditionally approve the transfer of the Dayan New Licence; and
- (b) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Dayan Mining Licence and other related legal documents (including but not limited to legal, financial and business), which shall commence on the third day after the establishment of the Dayan New Enterprise and shall end on the 30th day after the establishment of the Dayan New Enterprise.

Within ten days after the satisfaction of the conditions, the parties to the Dayan Agreement shall enter into the Dayan Formal Agreement.

Pursuant to the Dayan Agreement, within 150 working days after the signing of the Dayan Agreement, (i) the Dayan New Enterprise shall obtain the business licence; and (ii) the Dayan New Enterprise shall obtain the Dayan New Licence.

Shen Jun Chen shall, within five days after the Dayan New Enterprise obtaining the business licence and the Dayan New Licence, procure the Dayan New Enterprise and the PRC Subsidiary or its nominees to enter to the Dayan Formal Agreement and shall within 150 working days after the signing of the Dayan Formal Agreement obtain all necessary governmental approval, permit or consent for the completion of the acquisition of the Dayan New Licence. Based on the representation of the Vendor, the parties to the Dayan Agreement agreed in the Dayan Agreement to enter into the Dayan Formal Agreement for the protection of the Vendor.

It is expected that completion of the acquisition of the Dayan New Licence shall take place on or before 4 August 2009.

As at the date of this announcement, the PRC Subsidiary (as defined herein) has already paid RMB500,000 as deposit to Shen Jun Chen which shall form part payment for the consideration under the Dayan Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Shen Jun Chen has no relationship, including prior business relationship, with the directors and the substantial shareholders of the Company or the Vendor; and (ii) Shen Jun Chen is an Independent Third Party.

Based on the representation of the Vendor, the consideration was arrived at arm's length negotiations between the Vendor and Shen Jun Chen with reference to various factors including (i) coal mines production capacity; and (ii) location of the mines.

As at the date of this announcement, the parties of the Dayan Agreement are obtaining the approval from the Ministry of Land and Resources PRC for the Dayan Agreement and the transactions contemplated thereunder.

INFORMATION ON THE MINING LICENCES

Tiechong Licence

Holder of licence: 麻江縣賢昌鄉鐵沖煤礦 (Majiang County Xianchang Village Tiechong Coal Mine#)

Date of issue: 14 December 2005

Valid period: December 2005 to December 2010

Type of mine: Coal

Mining method: Underground mining

Production capacity: 30,000 tons

Mining area: 1.4 sq km

The Tiechong Licence is in the process of being renewed. The Tiechong New Licence will have a production capacity of 90,000 tons per annum and valid period of not less than ten years from the date of issue of the Tiechong New Licence.

Xinghe Licence

Holder of licence: 貴州都勻市興和礦業有限公司 (Guizhou Douyun City Xinghe Mining Company Limited#)

Date of issue: 30 August 2007

Valid period: August 2007 to August 2008

Type of mine: Coal

Mining method: Underground mining

Production capacity: 90,000 tons

Mining area: 8.5818 sq km

The Xinghe Licence is in the process of being renewed. The Xinghe New Licence will have a production capacity of 150,000 tons per annum and valid period of not less than ten years from the date of issue of the Xinghe New Licence.

Shuishan Licence

Holder of licence: 麻江縣碧波鄉水山煤礦 (Majiang County Bibo Village Shuishan Coal Mine#)

Date of issue: 14 December 2005

Valid period: December 2005 to December 2010

Type of mine: Coal

Mining method: Underground mining

Production capacity: 30,000 tons

Mining area: 1.28 sq. km

The Shuishan Licence is in the process of being renewed. The Shuishan New Licence will have a production capacity of 150,000 tons per annum and valid period of not less than ten years from the date of issue of the Shuishan New Licence.

Lushan Licence

Holder of licence: 凱里市爐山鎮煤礦 (Kaili City Lushan Town Coal Mine#) (Yang Lin Yong)

Date of issue: 15 February 2007

Valid period: February 2007 to December 2016

Type of mine: Coal

Mining method: Underground mining

Production capacity: 90,000 tons

Mining area: 3.931 sq. km

Dayan Licence

Holder of licence: 織金縣大雁煤礦 (Zhijin County Dayan Coal Mine[#]) (He Yong Mo)

Date of issue: 24 May 2007

Valid period: May 2007 to May 2008

Type of mine: Coal

Mining method: Underground mining

Production capacity: 90,000 tons

Mining area: 1.7630 sq km

The Shuishan Licence is in the process of being renewed. The Shuishan New Licence will have a valid period of not less than ten years from the date of issue of the Shuishan New Licence.

Policy implemented by the People's Government of Guizhou

The People's Government of Guizhou issued an approval on 29 December 2006 that the coal mines with an annual production capacity of less than 30,000 tons of coal in Majiang, Danzhai, Tianzhu, Kaili and Congjiang of Guizhou, the PRC, had to be shut down by 31 December 2007. Coal mines with the condition to increase the production capacity shall proceed to conduct the necessary procedures according to the policies of the relevant governmental authorities of the PRC and Guizhou. According to such policy, the Tiechong Coal Mine and the Shuishan Coal Mine will need to be shut down unless they increase their production capacity to over 30,000 tons. Applications have been made by the Tiechong Coal Mine and the Shuishan Coal Mine to the relevant governmental authorities for such increases in the production capacities.

As Completion will take place simultaneously with the completion of the Mining Licences Agreements, upon when each of the Tiechong Coal Mine and the Shuishan Coal Mine will have a production capacity of 90,000 tons, the risk of the Group acquiring the Tiechong Coal Mine and the Shuishan Coal Mine that would be shut down due to the above mentioned policy is minimal.

INFORMATION ON THE COAL MINES

Tiechong Coal Mine

The Tiechong Coal Mine is located proximal to the Xiping village within Maijiang County, some 15 km south of Majiang City. The Tiechong Coal Mine was constructed in 2005, and commenced production of coal in 2007. The Guixhou Land and Resources Bureau initially issued a coal production licence of 30,000 tons per annum in December 2005. The owners has applied for a production licence of 90,000 tons per annum in order to increase production.

Based on the preliminary technical report prepared by SRK Consulting, a mining engineering consultant and an Independent Third Party, the estimate coal resource of the Tiechong Coal Mine is approximately 5.96 million tons. Out of the total coal resource, approximately 0.1 million tons can be converted into estimated reserve category of which about 40,000 tons remain non-depleted. Further exploration is required to convert the remaining resources into reserve.

The estimations of the coal resource by SRK Consultant have been conducted on certain observation points – channel samples collected from old underground workings and/or from the mines’ development faces. Sample collections have been conducted in accordance with Chinese standards and sample coordinates have been determined by GPS on the surface and by underground technique in old and development faces. Channel samples have been collected from 10 x 5 cm groove cut across the seam, the sample lengths have depended on the seam thickness. Samples were also used for specific gravity tests.

The coal resource estimation approach would be set out in details in the independent technical report to be prepared by SRK Consulting and to be annexed to the circular.

Xinghe Coal Mine

The Xinghe Coal Mine is located proximal to the township of Baimang and approximately 25 km west of Duyun City. Xinghe Coal Mine is a new mine which incorporates Lashan (to the north), Zhongshan (central) and Zhengxin (to the south). The current production capacity is 90,000 tons per year. A planned production ramp-up, is aiming at increasing the output to 150,000 tons per year. The mine was constructed in 2002, with upgrades conducted in 2005 and recommencement of production in 2007.

Based on the preliminary technical report prepared by SRK Consulting, the estimate coal resource of the Tiechong Coal Mine is approximately 9.23 million tons. Out of the total coal resource, approximately 1.14 million tons can be converted into estimated reserve category of which about 0.68 tons remain non-depleted. Further exploration is required to convert the remaining resources into reserve.

The estimations of the coal resource by SRK Consultant have been conducted on certain observation points – channel samples collected from old underground workings and/or from the mines’ development faces. Sample collections have been conducted in accordance with Chinese standards and sample coordinates have been determined by GPS on the surface and by underground technique in old and development faces. Channel samples have been collected from 10 x 5 cm groove cut across the seam, the sample lengths have depended on the seam thickness. Samples were also used for specific gravity tests.

The coal resource estimation approach would be set out in details in the independent technical report to be prepared by SRK Consulting and to be annexed to the circular.

Shuishan Coal Mine

The Shuishan Coal Mine is located in Majiang County in the southeastern part of the Guizhou Province. The mine is situated about 9.5 km northeast of Majiang City. Construction of the Shuishan Coal Mine commenced in March 2003. The Guizhou Land and Resources Bureau initially issued a 1.28 sq km mining licence with a total coal production permit of 30,000 tons per year in December 2005. Technical overhauls were carried out from June 2007, and the mine is still in the early phase of development. The current mine owners recently applied for a new mining license with an annual production permit of 90,000 tons in order to ramp-up production.

Based on the preliminary technical report prepared by SRK Consulting, the estimate coal resource of the Shuishan Coal Mine is approximately 8.47 million tons. Further exploration is required to convert the resources into reserve.

The estimations of the coal resource by SRK Consultant have been conducted on certain observation points – channel samples collected from old underground workings and/or from the mines' development faces. Sample collections have been conducted in accordance with Chinese standards and sample coordinates have been determined by GPS on the surface and by underground technique in old and development faces. Channel samples have been collected from 10 x 5 cm groove cut across the seam, the sample lengths have depended on the seam thickness. Samples were also used for specific gravity tests.

The coal resource estimation approach would be set out in details in the independent technical report to be prepared by SRK Consulting and to be annexed to the circular.

Lushan Coal Mine

The Lushan Coal Mine is located in the southeastern part of the Guizhou Province. The Lushan Coal Mine is situated proximal to Dafengdong Town, and some 35 km from Kaili City. Construction of the Lushan Coal Mine commenced in March 2003. The Guizhou Land and Resources Bureau initially issued a 3.93 sq km mining license with a total coal production permit of 90,000 tons per year in December 2005. Technical overhauls were carried out from August 2006.

Based on the preliminary technical report prepared by SRK Consulting, the estimate coal resource of the Lushan Coal Mine is approximately 6.62 million tons. Out of the total coal resource, approximately 3.01 million tons can be converted into estimated reserve category of which about 2.82 million tons remain non-depleted. Further exploration is required to convert the remaining resources into reserve.

The estimations of the coal resource by SRK Consultant have been conducted on certain observation points – channel samples collected from old underground workings and/or from the mines' development faces. Sample collections have been conducted in accordance with Chinese standards and sample coordinates have been determined by GPS on the surface and by underground technique in old and development faces. Channel samples have been collected from 10 x 5 cm groove cut across the seam, the sample lengths have depended on the seam thickness. Samples were also used for specific gravity tests.

The coal resource estimation approach would be set out in details in the independent technical report to be prepared by SRK Consulting and to be annexed to the circular.

Dayan Coal Mine

The Dayan Coal Mine occupies an area of 1.76 sq km in Zhijin County in the southwestern part of Guizhou Province. The Dayan Coal Mine is a newly-built coal mine which combines three small-scale mines: the Dazhai, Linshan and Dayan Coal Mines. The new mine focuses on the development and utilisation of coal in order to become a modern, high-yield and safe coal mine with the designed productive capacity of 450,000 tons per annum. The Dayan Coal Mine was founded in February 2007.

Based on the preliminary technical report prepared by SRK Consulting, the estimate coal resource of the Dayan Coal Mine is approximately 30.92 million tons. Out of the total coal resource, approximately 19.22 million tons can be converted into estimated reserve category of which about 18.98 million tons remain non-depleted.

The estimations of the coal resource by SRK Consulting have been conducted based on findings of detailed exploratory drilling conducted by 115th Brigade in 2007.

The coal resource estimation approach would be set out in details in the independent technical report to be prepared by SRK Consulting and to be annexed to the circular.

INFORMATION ON SRK CONSULTING

The team members of SRK Consulting responsible for the preparation of the preliminary technical report are as follows:

Per Michaelsen, PhD, Senior Coal Consultant, MAusIMM, is a senior consultant with SRK China with a specialty in coal-bearing deposits. He completed a doctoral study at James Cook University in Australia in 1999 on the development of Permian coal deposits and basinal dynamics. Per has more than 14 years experience in the field of coal and coal seam gas with work conducted in Australia, China and Mongolia. Per's essential skills include: JORC compliant exploration program management, evaluation of coal deposits, integrated image and map interpretation; field mapping and structural analysis, due diligence studies and technical reviews. Per has worked with a large number of clients including BHP Billiton, Anglo Coal, Xstrata Coal, Bayfield Ventures and Asia Gold.

Petr Osvold, MSc, Senior Coal Consultant, MAusIMM, is an experienced geologist with 20 years experience in resource estimation, mine geology, mine planning and scheduling and has worked on commodities ranging from tin, tungsten, copper, kaolin, basalt, feldspar, coal to iron. He is specialized in resource management, resource modeling and grade control. Petr had been working as mine manager responsible for exploration, data collection, data interpretation, resource estimate; mine planning, mine management and coal quality control up to end user in the biggest coal mine – Merit Pila in Malaysia for 9 years.

Arabinda Basu, BSc (Mining), an Associate Consultant to SRK based in Calcutta. Arabinda specializes in coal with over 30 years of experience in underground and open pit coal operation. Before being associated with SRK, Arabinda worked 24 years with Tata Steel, the largest private steel maker in India with multiple underground and open pit coal mines in Eastern India. In his last 6 years in Tata, Arabinda was heading the mine planning division. Arabinda reviewed the mining section of this project.

Andrew Lewis, B.Sc. MAusIMM, is an Environmental Engineer SRK Consulting China. He has worked extensively in China and Asia for nearly a decade. He has worked on a wide variety of different projects ranging from technology transfer to environmental health and safety.

Dr Yonglian Sun, BEng, PhD, MAusIMM, MIEAust, CPEng, is a Principal Consultant and the managing director of SRK China with over 20 years experience in geotechnical engineering, rock mechanics and mining engineering in five countries across four continents. He has extensive international mining experience with an emphasis in site investigation, analysis and modelling of geotechnical issues in open pits, underground mines, tunnels. He also has considerable experience in project management and project evaluation in assisting the mines for the fund-raising and overseas stock listing. Recently, Yonglian has coordinated and worked on a number of due diligence projects like Lingbao Gold, China Coal, and Yueda Holding's Pb-Zn, Xinjiang Xinxin Cu-Ni, Hua Yi Longxin Fe, and Hong Kong Nation Shenlong Fe projects. All has been successful listed in the Stock Exchange of Hong Kong Ltd. Dr Sun will be doing the peer review to ensure the quality meet the required standard.

The SRK group employs approximately 500 professionals internationally and has 25 permanently staffed offices in eight countries on six continents. SRK China has an office in Beijing with 15 staff. The SRK group has provided independent expert reports for not less than eight companies listed on the Stock Exchange in the previous eight year for merger and acquisition transactions and listings.

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 (i) the prospect of the coal mining industry in the PRC; and (ii) the belief of the Directors that the Acquisition will provide stable income source for the Group based on the estimated total coal resources of the Coal Mines of 61,190,000 tons and the aggregate production capacity of the Coal Mines of 370,000 tons of coal per year in 2007, 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.

Upon Completion, the Group will recruit experts with relevant experience and expertise to engage in the management of the Coal Mines and to maximise the potential value of the Coal Mines.

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, an independent technical report on the Coal Mines 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 23 June 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 9 July 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 Shares 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
“Capitalisation”	the capitalisation of the Loan by issuing 99 shares in the capital of the Target to the Vendor

“Coal Mines”	the Tiechong Coal Mine, the Xinghe Coal Mine, the Shuishan Coal Mine, the Lushan Coal Mine and the Dayan Coal Mine
“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 Shares 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\$210,000,000 payable by the Purchaser to the Vendor for the Acquisition and to be satisfied in the manner as described in this announcement
“Consideration Shares”	10,000,000 new Shares to be allotted and issued
“Convertible Notes”	senior secured convertible notes with a principal amount of RMB250 million to be issued by the Company
“Dayan Agreement”	the agreement entered into by the PRC Subsidiary on 29 April 2008 relating to the acquisition of the Dayan New Licence
“Dayan Coal Mine”	the coal mine located in Zhijin County in the southwestern part of Guizhou Province
“Dayan Formal Agreement”	the agreement to be entered into by the PRC Subsidiary upon the satisfaction of the conditions in the Dayan Agreement relating to the acquisition of the Dayan New Licence
“Dayan Licence”	the mining rights licence no. 5200000711044 granted by Ministry of Land and Resources PRC in relation to the Dayan Coal Mine
“Dayan New Enterprise”	the new enterprise to be established in the PRC for the holding of the Dayan New Licence
“Dayan New Licence”	the mining rights licence to be granted by Ministry of Land and Resources PRC in relation to the Dayan Coal Mine, pursuant to which the annual production capacity will increase to 450,000 tons of coal
“Directors”	the directors of the Company

“First Promissory Note”	the promissory note in the principal amount of HK\$120,000,000 to be executed by the Company in favour of the Vendor for the purpose of partially settling the Consideration
“Fund Raising Exercise”	the fund raising exercise in the amount of not less than US\$9,160,000, including by way of placing of Shares or other securities to investors who are parties independent and not connect with the Company and its connected persons, which may include the issue of Convertible Notes
“Group”	the Company and its subsidiaries
“HK Subsidiary”	Pacific Land International Investment 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\$5.00 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	all obligations, liabilities and debts owing or incurred by the Target to the Vendor on or at any time prior to the date of the Sale and Purchase Agreement whether actual, contingent or deferred and irrespective of whether the same is due and payable on the date of the Sale and Purchase Agreement which amounted to HK\$3,055,301 as at 31 March 2008
“Lushan Agreement”	the agreement entered into by the PRC Subsidiary on 28 April 2008 relating to the acquisition of the Lushan Licence
“Lushan Coal Mine”	the coal mine located in the southeastern part of the Guizhou Province and is situated proximal to Dafengdong Town and some 35 km from Kaili City
“Lushan Licence”	the mining rights licence no. 5200000730035 granted by Ministry of Land and Resources PRC in relation to the Lushan Coal Mine

“Mining Licences”	the Tiechong Licence, the Xinghe Licence, the Shuishan Licence, the Lushan Licence and the Dayan Licence
“Mining Licences Agreements”	the Tiechong Formal Agreement, the Xinghe Formal Agreement, the Shuishan Formal Agreement, the Lushan Agreement and the Dayan Formal Agreement
“PRC”	the People’s Republic of China
“PRC Subsidiary”	貴州金億達礦業有限公司 (transliterated as Guizhou Jinyida Mining Company Limited#), a wholly foreign owned enterprise established in the PRC, is an indirect wholly owned subsidiary of the Target
“Purchaser”	Bless Luck International Limited, a wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 20 June 2008 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares
“Sale Shares”	70 ordinary share of US\$1.00 in the issued share capital of the Target to be held by the Vendor immediate after the completion of the Capitalisation, representing 70% of the entire issued share capital of the Target
“Second Promissory Note”	the promissory note in the principal amount of HK\$40,000,000 to be executed by the Company in favour of the Vendor for the purpose of partially settling the Consideration
“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 First Promissory Note and the Second 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)
“Shuishan Agreement”	the agreement entered into by the PRC Subsidiary on 28 April 2008 relating to the acquisition of the Shuishan New Licence

“Shuishan Coal Mine”	the coal mine located in Majiang County in the southeastern part of the Guizhou Province and is situated about 9.5 km northeast of Majiang City
“Shuishan Formal Agreement”	the agreement to be entered into by the PRC Subsidiary upon the satisfaction of the conditions in the Shuishan Agreement relating to the acquisition of the Shuishan New Licence
“Shuishan Licence”	the mining rights licence no. 5200000540312 granted by Ministry of Land and Resources PRC in relation to the Shuishan Coal Mine
“Shuishan New Enterprise”	the new enterprise to be established in the PRC for the holding of the Shuishan New Licence
“Shuishan New Licence”	the mining rights licence to be granted by Ministry of Land and Resources PRC in relation to the Shuishan Coal Mine, pursuant to which the annual production capacity will increase to 90,000 tons of coal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Union Sense Development 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
“Tiechong Agreement”	the agreement entered into by the PRC Subsidiary on 28 April 2008 relating to the acquisition of the Tiechong New Licence
“Tiechong Coal Mine”	the coal mine located proximal to the Xiping village within Majiang County, some 15 km south of Majiang City
“Tiechong Formal Agreement”	the agreement to be entered into by the PRC Subsidiary upon the satisfaction of the conditions in the Tiechong Agreement relating to the acquisition of the Tiechong New Licence
“Tiechong Licence”	the mining rights licence no. 5200000540313 granted by Ministry of Land and Resources PRC in relation to the Tiechong Coal Mine

“Tiechong New Enterprise”	the new enterprise to be established in the PRC for the holding of the Tiechong New Licence
“Tiechong New Licence”	the mining rights licence to be granted by Ministry of Land and Resources PRC in relation to the Tiechong Coal Mine, pursuant to which the annual production capacity will increase to 90,000 tons of coal
“Vendor”	Ms Cheung Oi Chun, an Independent Third Party
“Xinghe Agreement”	the agreement entered into by the PRC Subsidiary on 28 April 2008 relating to the acquisition of the Xinghe Licence
“Xinghe Coal Mine”	the coal mine located in proximal to the township of Baimang, and approximately 25 km west of Duyun City
“Xinghe Formal Agreement”	the agreement to be entered into by the PRC Subsidiary upon the satisfaction of the conditions in the Xinghe Agreement relating to the acquisition of the Xinghe New Licence
“Xinghe Licence”	the mining rights licence no. 5200000711403 granted by Ministry of Land and Resources PRC in relation to the Xinghe Coal Mine
“Xinghe New Enterprise”	the new enterprise to be established in the PRC for the holding of the Xinghe New Licence
“Xinghe New Licence”	the mining rights licence to be granted by Ministry of Land and Resources PRC in relation to the Xinghe Coal Mine, pursuant to which the annual production capacity will increase to 150,000 tons of coal
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“km”	kilometres
“RMB”	Renminbi, the lawful currency of the PRC
“sq km”	square km
“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, 8 July 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 of the Company are Mr Ng Tat Leung, George, Mr Wong Teck Ming, Mr Lui Siu Yee, Samuel and Ms Leung Pui Kwan, and the independent non-executive directors of the Company are Mr Wong Lit Chor, Alexis, Mr Leung Wai Cheung and Mr Hui Wah Tat Anthony.