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WING HING INTERNATIONAL (HOLDINGS) LIMITED



(incorporated in Bermuda with limited liability)

(Stock Code: 621)

PROPOSED CHANGE IN SHAREHOLDING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board was notified by Glado that on 10 August 2006, Glado has respectively entered into the Sale and Purchase Agreements with Mr Ng, Grand Legend and Complete Success pursuant to which Glado agreed to sell the 6,750,000 Shares as to 4,887,369 Shares to Mr Ng, as to 1,086,081 Shares to Grand Legend and as to 776,550 Shares to Complete Success for cash consideration in the aggregate amount of HK\$9,000,000 at the Sale Price. The Board was informed that the consideration was determined after arm's length negotiations between the relevant parties to the respective Sale and Purchase Agreements. Completion is expected to take place by 20 September 2006 subject to the terms and conditions of the Sale and Purchase Agreements, including but not limited to the grant of the SFC Confirmation and the Stock Exchange Approval.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

SALE AND PURCHASE AGREEMENTS

The Board was notified by Glado that on 10 August 2006, Glado has respectively entered into the Sale and Purchase Agreements with Mr Ng, Grand Legend and Complete Success pursuant to which Glado agreed to sell the 6,750,000 Shares as to 4,887,369 Shares to Mr Ng, as to 1,086,081 Shares to Grand Legend and as to 776,550 Shares to Complete Success for cash consideration in the aggregate amount of HK\$9,000,000 at the Sale Price. Glado will cease to be a Shareholder upon Completion.

Ng S&P Agreement

Date : 10 August 2006

Parties : (1) Glado as vendor
(2) Mr Ng as purchaser

Pursuant to the Ng S&P Agreement, Glado agreed to sell and Mr Ng agreed to purchase 4,887,369 Shares, representing approximately 9.00% of the issued share capital of the Company, for a cash consideration of HK\$6,516,492 at the Sale Price.

Upon Completion, Mr Ng and parties acting in concert with him (excluding Glado) will be interested in aggregate of 15,750,669 Shares, representing approximately 29.02% of the issued share capital of the Company. Please also refer to the section headed "Shareholding Structure of the Company" in this announcement.

GL S&P Agreement

Date : 10 August 2006

Parties : (1) Glado as vendor
(2) Grand Legend as purchaser

Pursuant to the GL S&P Agreement, Glado agreed to sell and Grand Legend agreed to purchase 1,086,081 Shares, representing approximately 2.00% of the issued share capital of the Company, for a cash consideration of HK\$1,448,108 at the Sale Price.

Upon Completion, Grand Legend and parties acting in concert with it will hold an aggregate 10,775,081 Shares, representing approximately 19.84% of the issued share capital of the Company. Please also refer to the section headed "Shareholding Structure of the Company" in this announcement.

CS S&P Agreement

Date : 10 August 2006

Parties : (1) Glado as vendor
(2) Complete Success as purchaser

Pursuant to the CS S&P Agreement, Glado agreed to sell and Complete Success agreed to purchase 776,550 Shares, representing approximately 1.43% of the issued share capital of the Company, for a cash consideration of HK\$1,035,400 at the Sale Price.

Upon Completion, Complete Success and parties acting in concert with it will hold an aggregate 3,587,550 Shares, representing approximately 6.60% of the issued share capital of the Company. Please also refer to the section headed "Shareholding Structure of the Company" in this announcement.

Consideration

Consideration for all the Sale Shares is HK\$9,000,000 in aggregate, which shall be payable in cash by the respective purchasers of the Sale and Purchase Agreements to Glado upon Completion.

The Sale Price of approximately HK\$1.333 per Sale Share represents:

- (a) a premium of about 36.02% over the closing price of HK\$0.98 per Share as quoted on the Stock Exchange on 10 August 2006, being the last trading day immediately prior to the entering of the Sale and Purchase Agreements; and
- (b) a premium of about 33.57% over the average of the closing prices of HK\$0.998 per Share as quoted on the Stock Exchange during the period of the last 10 trading days up to and including 10 August 2006.

The Board was informed that the consideration was determined after arm's length negotiations between the relevant parties to the respective Sale and Purchase Agreements.

Conditions and Completion

Completion of each of the Sale and Purchase Agreements is conditional upon the following conditions:

- (1) obtaining the Stock Exchange Approval of the disposal of the Sale Shares by Glado;
- (2) obtaining the SFC Confirmation that the purchase of the Sale Shares by each of the purchasers will not give rise to an obligation on the part of that purchaser or any parties acting in concert with it to make a general offer of the securities of the Company pursuant to Rule 26.1 of the Takeovers Code;
- (3) all other necessary consents and approvals required to be obtained on the part of Glado and the Purchaser in respect of each of the Sale and Purchase Agreements and the transactions contemplated thereby having been obtained; and
- (4) the warranties provided by Glado in each of the Sale and Purchase Agreements remaining true and accurate in all respects.

If any of the conditions set out above have not been satisfied on or before 19 September 2006 or such other time as the parties to the relevant Sale and Purchase Agreements may agree, that Sale and Purchase Agreement shall cease and determine and none of the parties shall have any obligations and liabilities hereunder save for any antecedent breaches of the terms thereof. Application will be made by the relevant parties to the SFC for the SFC Confirmation in due course.

As stated in the Prospectus, each of Glado, Total Success Worldwide Limited and China Insurance (Holdings) Company, Limited had during the listing of Shares for trading on the Stock Exchange undertaken to the Stock Exchange, among other matters, that prior written approval would be sought and received prior to any material change in the shareholding of any member of the China Insurance Group in the Company. Accordingly, the Sale and Purchase Agreements are made conditional upon the grant of the Stock Exchange Approval.

The Sale and Purchase Agreements are not inter-conditional upon each other. Completion is expected to take place by 20 September 2006 subject to the terms and conditions of the Sale and Purchase Agreements, including but not limited to the grant of the SFC Confirmation and the Stock Exchange Approval.

After Completion, save for the proposed resignation of the Directors nominated by Glado, it is expected that the business operation and the composition of the management of the Company will remain unchanged.

SHAREHOLDING STRUCTURE OF THE COMPANY

Upon Completion, assuming there would not be any allotment and issue of new Shares or Share repurchase by the Company, the shareholding structure of the Company would be altered as follows:

Shareholders	As at the date of this announcement		Immediately after Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr Ng (Note 1)	30,000	0.06	4,917,369	9.06
Mr Lui Siu Yee, Samuel (Note 1)	30,600	0.06	30,600	0.06
Mr Wong Teck Ming (Note 1)	30,000	0.06	30,000	0.06
Total Success (Note 1)	10,772,700	19.84	10,772,700	19.84
Mr Ng and parties acting in concert with him (excluding Glado)	10,863,300	20.02	15,750,669	29.02
Glado (Note 2)	6,750,000	12.43	–	–
Grand Legend (Note 3)	9,689,000	17.84	10,775,081	19.84
Complete Success (Note 4)	2,811,000	5.17	3,587,550	6.60
Other public Shareholders	24,186,700	44.54	24,186,700	44.54
Total:	54,300,000	100.00	54,300,000	100.00

Notes:

1. These 10,772,700 Shares were registered in the name of Total Success. The issued share capital of Total Success is owned as to approximately 46.46% by Mr. Chan Mo Yan, deceased, as to approximately 46.46% by Mr Ng, the chairman of Wing Hing and the managing Director, and as to approximately 7.08% by Mr. Wong Teck Ming, an executive Director. Mr Lui Siu Yee, Samuel is an executive Director.
2. The issued share capital of Glado is owned as to 100% by Tellon Development Limited, which is an indirect wholly owned subsidiary of China Insurance (Holdings) Company, Limited, a state-owned joint stock limited company established in the People's Republic of China.
3. The entire issued share capital of Grand Legend is owned by Mr. Lo Chun Yang. Ms. Loh Siu Yin, Lulu is the spouse of Mr. Lo Chun Yang.
4. The entire issued share capital of Complete Success is owned by Li Dan Dan. Complete Success currently holds 5,681,818 warrants of the Company upon exercise of which 5,681,818 Shares are to be issued.

GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in the superstructure construction, foundation piling, substructure works, slope improvement works, special construction projects and interior decoration works in Hong Kong.

Mr Ng is the chairman and an executive Director. As at the date of this announcement, Mr Ng and his parties acting in concert (excluding Glado) are interested in 10,863,300 Shares, representing approximately 20.02% of the existing issued share capital of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expression shall have the following meaning:

“Board”	the board of Directors
“China Insurance Group”	China Insurance (Holdings) Company, Limited and its subsidiaries, including Glado
“Company”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Complete Success”	Complete Success Limited, a company incorporated in the British Virgin Islands and currently holding 2,811,000 Shares
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreements
“CS S&P Agreement”	the sale and purchase agreement dated 10 August 2006 and entered into between Glado as vendor and Complete Success as purchaser in relation to the sale and purchase of 776,550 Shares at the Sale Price
“Directors”	directors of the Company
“Glado”	Glado Development Limited, a company incorporated in Hong Kong and currently holding the Sale Shares
“GL S&P Agreement”	the sale and purchase agreement dated 10 August 2006 and entered into between Glado as vendor and Grand Legend as purchaser in relation to the sale and purchase of 1,086,081 Shares at the Sale Price
“Grand Legend”	Grand Legend Limited, a company incorporated in the British Virgin Islands and currently holding 9,689,000 Shares
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Ng”	Mr Ng Tat Leung, George, an executive Director and the chairman of the Company
“Ng S&P Agreement”	the sale and purchase agreement dated 10 August 2006 and entered into between Glado as vendor and Mr Ng as purchaser in relation to the sale and purchase of 4,887,369 Shares at the Sale Price
“Prospectus”	the prospectus of the Company dated 29 November 1995
“Sale and Purchase Agreements”	CS S&P Agreement, GL S&P Agreement and Ng S&P Agreement
“Sale Price”	the sale price of the Sale Shares at approximately HK\$1.333 per Sale Shares

“Sale Shares”	the 6,750,000 Shares held by Glado to be sold pursuant to the terms and conditions of the Sale and Purchase Agreements
“SFC”	the Securities and Futures Commission
“SFC Confirmation”	the confirmation from the SFC that the sale and purchase under the Sale and Purchase Agreements will not give rise to an obligation on the part of that purchaser or any parties acting in concert with it to make a general offer of the securities of the Company pursuant to Rule 26.1 of the Takeovers Code
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Exchange Approval”	the written approval from the Stock Exchange of the disposal of the Sale Shares by Glado
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“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 2006

As at the date of this announcement, the Board comprises 11 Directors. The executive Directors are Mr Ng, Mr Wong Teck Ming, Mr Chen Jinkui, Mr Sun Haichao, Mr Lui Siu Yee, Samuel, Mr Chan Wai Keung, Ivan and Mr Lo Chung Sun, Simon. The non-executive Director is Mr Wang Xianzhang. The independent non-executive Directors are Mr Wong Lit Chor, Alexis, Dr Leung Wai Cheung and Mr Lo Ka Wai.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.