



雲南實業控股有限公司

YUNNAN ENTERPRISES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0455)

COOPERATIVE EXPLORATION AND DEVELOPMENT CONTRACT FOR PROSPECTING OF COPPER AND MULTI-METAL MINE

The Board is pleased to announce that on 28 May 2008, Yunnan Non-Ferrous Metals Exploration Institute, Xintongxin and Yunnan Tianda Mining entered into the Cooperative Contract pursuant to which the parties thereto reached an agreement in relation to the cooperative exploration and development in the project for the prospecting of copper and multi-metal mine at Xinqiao, Dongchuan District, Yunnan Province.

As at the date of this announcement, the Department of Land & Resources of Yunnan Province has granted the Certificate of Approval for Exploration of Mineral Resources to Yunnan Tianda Mining.

This announcement is made by the Company on a voluntary basis.

The board of directors (the “Board”) of Yunnan Enterprises Holdings Limited (the “Company” together with its subsidiaries, the “Group”) is pleased to announce that on 28 May 2008, 雲南省有色地質勘查院 (Yunnan Province Non-Ferrous Metals Geological Exploration Institute*) (“Yunnan Non-Ferrous Metals Exploration Institute”), 雲南新同鑫投資有限公司 (Yunnan Xintongxin Investment Company Limited*) (“Xintongxin”) and 雲南天大礦業有限公司 (Yunnan Tianda Mining Ltd.) (“Yunnan Tianda Mining”), an subsidiary of the Company, entered into a cooperative exploration and development contract (“Cooperative Contract”), pursuant to which the parties thereto reached an agreement in relation to the cooperative exploration and development in the project for 雲南省東川區新橋銅多金屬礦普查 (the prospecting of copper and multi-metal mine (the “Mine”) at Xinqiao, Dongchuan District, Yunnan Province*) (the “Cooperative Project”).

THE COOPERATIVE CONTRACT

Pursuant to the Cooperative Contract, the cooperation is mainly for the registration of the rights in respect of the Cooperative Project (the “Rights”) and the cooperative exploration and development in the Cooperative Project. The interest of Yunnan Non-Ferrous Metals Exploration Institute, Xintongxin and Yunnan Tianda Mining in the Cooperative Project shall be 4%, 45% and 51% respectively.

Pursuant to the Cooperative Contract, Yunnan Non-Ferrous Metals Exploration Institute shall be responsible for providing the necessary materials for the application of the Rights, providing technical guidance in respect of exploration and development of the Mine, formulating cooperative exploration work plan, undertaking all geological exploration work for consideration, and providing the geological results. In addition, Yunnan Non-Ferrous Metals Exploration Institute shall also be responsible for formulating the safety measures during the exploration period, assisting Xintongxin and Yunnan Tianda Mining to coordinate with the relevant government departments, and providing information on the relevant China, provincial and municipal mining policies.

Pursuant to the Cooperative Contract, Xintongxin shall be responsible for coordinating with all relevant government departments and organisations in respect of the Cooperative Project and bearing 46.875% of the investment in respect of the exploration and development of the Mine after the obtaining of the Rights.

Pursuant to the Cooperative Contract, Yunnan Tianda Mining shall be responsible for applying for the Rights as well as bearing the coordination expenses incurred during the application of the Rights and 53.125% of the investment in respect of the exploration and development of the Mine after the obtaining of the Rights. In addition, Yunnan Tianda Mining also agreed to pay an amount of RMB5,000,000 to Xintongxin for the preliminary investment made by it subject to the obtaining of the Rights and the assessment and confirmation of the value of the investment made by Xintongxin.

EXPLORATION RIGHT

The Board is also pleased to announce that, as at the date of this announcement, 雲南省國土資源廳 (Department of Land and Resources of Yunnan Province*) has granted to Yunnan Tianda Mining, 礦產資源勘查許可證 (Certificate of Approval for Exploration of Mineral Resources*). After obtaining the said certificate, Yunnan Tianda Mining has the right to conduct exploration at a specified area covering 7.71 square kilometres in Dongchuan District, Kunming City, Yunnan Province. Pursuant to the said certificate and the Cooperative Contract, Yunnan Non-Ferrous Metals Exploration Institute has commenced to collectively consolidate geological information in order to define and formulate a cooperative exploration work plan. Based on the initial assessment on the minerals by the geological experts employed by the Group, the site is considered to hold potential deposits for copper.

INFORMATION ON YUNNAN NON-FERROUS METALS EXPLORATION INSTITUTE AND XINTONGXIN

Yunnan Non-Ferrous Metals Exploration Institute and Xintongxin

Yunnan Non-Ferrous Metals Exploration Institute is an entity under the control of 雲南省有色地質局 (Yunnan Province Non-Ferrous Metals Geological Bureau*) (“Yunnan Non-Ferrous Metals Bureau”), which in turn is established under the law of the People’s Republic of China (the “PRC”) and is principally engaged in the exploration and development of mineral resources and other related services.

Xintongxin is a company established in the PRC and has performed preliminary works on the Mine.

INFORMATION ON THE GROUP AND YUNNAN TIANDA MINING

The Company is a limited liability company incorporated in the Cayman Islands and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The core business of the Group is investment and development of mining and energy industries, research and development, manufacturing and sales of pharmaceutical and biotech products. The Group also engages in printing and property development business.

Yunnan Tianda Mining is a wholly-owned subsidiary of Tianda Mining (Yunnan) Limited (天大礦業(雲南)有限公司), which is owned as to 51% by the Company and as to 49% by Tianda Group Limited, the controlling shareholder of the Company.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE COOPERATIVE CONTRACT

In view of the long-term economic and infrastructure development and the increase in demand for resources in the PRC, the Board is optimistic about the future market demand for mineral resources and future prospects of the mineral resources industry. Accordingly, the Group has been actively looking for opportunities to expand its business in the exploration and development of mineral resources. The entering into the Cooperative Contract represents another step of the Group to exploit the mineral resources in Yunnan Province, which contains ample mineral resources. Through entering into of the Cooperative Contract, the Group will be able to benefit from the expertise, experience and/or professionals of Yunnan Non-Ferrous Metals Exploration Institute and Xintongxin in the areas of exploration and development of mineral resources. As such, the entering into the Cooperative Contract will provide the Group with full support of technical expertise, generate new income source for the Group and enhance the Company's risk management capability in such investments.

GENERAL

This announcement is made by the Company on a voluntary basis.

The entering into the Cooperative Contract does not constitute a connected transaction for the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company having making all reasonable enquiries, Yunnan Non-Ferrous Metals Exploration Institute and Xintongxin are independent third parties not connected with the Company (as defined in the Listing Rules).

By Order of the Board
Yunnan Enterprises Holdings Limited
Li Suiming
Chairman

Hong Kong, 2 June 2008

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Li Suiming, Mr. Fang Wen Quan, Mr. Li Guanglin, Mr. Liu Huijiang, and Mr. Ma Pizhi and three independent non-executive Directors, being Mr. Chiu Sung Hong, Mr. Wu Wen Jing, Benjamin and Mr. Lam Yat Fai.

* For English translation purposes only