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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**

This announcement has been made to furnish the shareholders of the Company with further information regarding the Cooperative Contract announced by the Company on 2 June 2008.

Reference is made to the announcement of the Company dated 2 June 2008 (the “Announcement”) in relation to the Cooperative Contract. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to furnish the shareholders of the Company with further information regarding the Cooperative Contract as follows:

1. As disclosed in the Announcement, pursuant to the Cooperative Contract, Yunnan Non-Ferrous Metals Exploration Institute shall be responsible for, among others, providing the necessary materials for the application of the Rights, providing technical guidance in respect of the exploration and development of the Mine, formulating cooperative exploration work plan, 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. Accordingly, after negotiations between the parties to the Cooperative Contract (the “Cooperative Parties”), it is agreed that Yunnan Non-Ferrous Metals Exploration Institute shall not bear the investment in respect of the exploration and development of the Mine, and Xintongxin and Yunnan Tianda Mining shall bear 46.875% and 53.125% of the investment in respect of the exploration and development of the Mine after the obtaining of the Rights respectively;

2. as disclosed in the Announcement, Yunnan Tianda Mining shall be responsible for bearing the coordination expenses incurred during the application of the Rights. As the coordination expenses to be incurred are expected to be insignificant and Yunnan Tianda Mining has agreed to bear such expenses as one of its responsibilities under the Cooperative Contract after negotiations between the Cooperative Parties, the Directors consider that such arrangement is fair and reasonable and in the interests of the Company and its shareholders as a whole;
3. Xintongxin has performed preliminary work in relation to the Mine. As one of the conditions of Xintongxin agreeing to enter into the Cooperative Contract, Xintongxin has requested Yunnan Tianda Mining to pay 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 preliminary investment made by it. The Directors consider that such term is acceptable having considered the potential of the Mine and the contribution of Xintongxin on the Mine; and
4. Yunnan Tianda Mining has been granted 礦產資源勘查許可證 (Certificate of Approval for Exploration of Mineral Resources*) as a result of the agreement of the Cooperative Parties to cooperate in the Cooperative Project.

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

Hong Kong, 4 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