



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)

**Strategic Cooperation Framework Agreement
for Exploration and Development of Mineral Resources
and
Cooperative Exploration and Development Contract
for General Exploration of Copper, Lead and Zinc Mine**

The Board of the Company is pleased to announce that on 12 March 2008, Yunnan Non-Ferrous Metals Bureau, Tianda Group and the Company entered into the Framework Agreement for joint cooperation to explore and develop mineral resources in Yunnan Province. On the same day, pursuant to the Framework Agreement, Yunnan Non-Ferrous Metals Exploration Institute, Tianda Group and the Company entered into the Cooperative Contract and the parties thereto reached an agreement in relation to the registration of the Rights and cooperative exploration and development in the project for the general exploration of copper, lead and zinc mine between Shuangshitou and Xijia Village, Huize County, Yunnan Province.

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

The board of directors (the “Board”) of Yunnan Enterprises Holdings Limited (the “Company”) is pleased to announce that on 12 March 2008, 雲南省有色地質局 (Yunnan Province Non-Ferrous Metals Geological Bureau*) (“Yunnan Non-Ferrous Metals Bureau”), Tianda Group Limited (“Tianda Group”), the controlling shareholder of the Company, and the Company entered into a strategic cooperation framework agreement for exploration and development of mineral resources in Yunnan Province (the “Framework Agreement”) for joint cooperation to explore and develop mineral resources in Yunnan Province. On the same day, pursuant to the Framework Agreement, 雲南省有色地質勘探院 (Yunnan Province Non-Ferrous Metals Geological Exploration Institute*) (“Yunnan Non-Ferrous Metals Exploration Institute”), being an entity under the control of Yunnan Non-Ferrous Metals Bureau, Tianda Group and the Company entered into a cooperative exploration and development contract (the “Cooperative Contract”), and the parties thereto reached an agreement in relation to the registration of the

rights in respect of mines (the “Rights”) and cooperative exploration and development in the project for the general exploration of copper, lead and zinc mine between Shuangshitou and Xijia Village, Huize County, Yunnan Province (雲南省會澤縣雙石頭－郝家村銅鉛鋅礦普查項目) (the “Cooperative Project”).

THE FRAMEWORK AGREEMENT

Pursuant to the Framework Agreement, the cooperation is mainly for the cooperative exploration and development of mineral resources in Yunnan Province. Yunnan Non-Ferrous Metals Bureau shall be responsible for providing information on mineral resources in Yunnan Province, the necessary materials for the application of the Rights, or potential projects for cooperation with Rights granted, and providing technical guidance support on exploration and development in relation to the Rights. Tianda Group and the Company will be responsible for applying for, or applying for the amendments to, the Rights, liaisons between all parties concerned, and bearing the expenses arising from the application for, or application for the amendments to, the Rights, and the exploration expenses incurred after obtaining the Rights. Tianda Group and the Company will also make reasonable compensations to Yunnan Non-Ferrous Metals Bureau for the capital invested for the preliminary geological exploration work.

Pursuant to the Framework Agreement, the specific proportions of the interests and investment amounts of Yunnan Non-Ferrous Metals Bureau, Tianda Group and the Company and other details of the cooperation will be determined in further cooperative agreement(s) among Yunnan Non-Ferrous Metals Exploration Institute, Tianda Group and the Company. The Company will comply with the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in relation to such transactions.

THE COOPERATIVE CONTRACT

The Cooperative Contract is one of the projects entered into pursuant to the Framework Agreement. Pursuant to the Cooperative Contract, the cooperation is mainly for the registration of the Rights and the cooperative exploration and development under the project for the general exploration of copper, lead and zinc mine between Shuangshitou and Xijia Village, Huize County, Yunnan Province (雲南省會澤縣雙石頭－郝家村銅鉛鋅礦普查項目). The interests of Yunnan Non-Ferrous Metals Exploration Institute, Tianda Group and the Company in the Cooperative Project are 10%, 44.10% and 45.90% respectively. The Rights to be applied for will be registered in the name of the Company and/or Tianda Group.

Pursuant to the Cooperative Contract, Yunnan Non-Ferrous Metals Exploration Institute shall be responsible for preparing the necessary materials for the application of the Rights, formulating a cooperative exploration work plan, undertaking all geological exploration work for consideration, and providing geological results. In addition, Yunnan Non-Ferrous Metals Exploration Institute shall also be responsible for formulating and supervising the implementation of the plans and measures for environmental and ecological protection, formulating safety measures during the exploration period, coordinating with the relevant government departments, and providing information on the relevant mining policies adopted at the national, provincial and municipal levels of China.

Pursuant to the Cooperative Contract, Tianda Group and the Company shall be responsible for applying for the Rights, coordinating for and ensuring the normal operation of the exploration work, supervising and implementing the safety work measures, and bearing various expenses of the Cooperation Project in the proportion of 49:51 (including the expenses for applying the Rights, compensation to Yunnan Non-Ferrous Metals Exploration Institute for its preliminary geological exploration work in the amount of RMB800,000, deposit for the Rights, the actual exploration expenses arising from the exploration work taken up by Yunnan Non-Ferrous Metals Exploration Institute under the Cooperative Project, the actual expenses arising from environmental protection, ecological control and safety protection etc, and coordination expenses). If Tianda Group and the Company fail to obtain the Rights of the Cooperative Project, they shall not be obliged to pay the compensation for the preliminary geological exploration work and all other expenses of the Cooperative Project and the Cooperative Contract shall be discharged in accordance with the law.

APPLICATION FOR THE EXPLORATION RIGHT RELATING TO COOPERATIVE PROJECT

The Company has made application to the relevant government departments of Yunnan Province in respect of the exploration right relating to the Cooperative Project and the application is under processing for final approval. The exploration right covers an area of approximately 46.84 square kilometers.

INFORMATION ON YUNNAN NON-FERROUS METALS BUREAU AND YUNNAN NON-FERROUS METALS EXPLORATION INSTITUTE

Yunnan Non-Ferrous Metals Bureau 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 the related services. Yunnan Non-Ferrous Metals Exploration Institute is an entity under the control of Yunnan Non-Ferrous Metals Bureau.

INFORMATION ON TIANDA GROUP

Tianda Group, a company incorporated in Hong Kong with limited liability, is the controlling shareholder of the Company. Tianda Group is principally engaged in the development of pharmaceuticals and biotechnology businesses, as well as the investment in the industries relating to mineral and energy resources.

INFORMATION ON THE COMPANY

The Company, a company listed on the main board of the Stock Exchange, is principally engaged in the sale of pharmaceutical products, property holding and development, and the investment in mineral and energy resources.

REASONS FOR, AND BENEFITS TO THE COMPANY FROM, ENTERING INTO THE FRAMEWORK AGREEMENT AND THE COOPERATIVE AGREEMENT

As announced by the Company on 28 February 2008, the Company is actively looking for new business opportunities with a view to broadening its income base and improving its financial performance.

In view of the booming 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 prospects of the mineral resources industry. Meanwhile, Yunnan Province has ample mineral resources. Accordingly, Yunnan Non-Ferrous Metals Bureau, Tianda Group and the Company intend to invest in the mineral resources of Yunnan Province. Yunnan Non-Ferrous Metals Bureau possesses many years of experience in the exploration and development of mineral resources, and the Company will be able to benefit from the expertise, experience and professionals of Yunnan Non-Ferrous Metals Bureau in the areas of exploration and development of mineral resources, thereby facilitating the Company to further develop its mineral resources exploration and exploitation business. Tianda Group has rich experience in investment in the mineral resources industries as well as good industry relationships, hence forming a cooperative relationship with Tianda Group will provide the Company with full support of technical expertise, exploit a new income source for the Company and enhance the Company's capability against risks.

GENERAL

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

The entering into the Framework Agreement and the Cooperative Contract do not constitute connected transactions of the Company subject to announcement requirements under Chapter 14A of the Listing Rules and do not constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

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

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

Hong Kong, 12 March 2008

As at the date of this announcement, the Board of the Company comprises five executive directors, namely Mr. Li Suiming, Mr. Ma Pizhi, Mr. Li Guanglin, Mr. Fang Wen Quan and Mr. Liu Huijiang, and three independent non-executive directors, namely Mr. Ho Wing Fun, Mr. Wu Wen Jing, Benjamin and Mr. Lam Yat Fai.

* *For identification purposes only*