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Welling

WELLING HOLDING LIMITED

威靈控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 382)

CONNECTED TRANSACTION

TERMINATION OF EQUITY TRANSFER AGREEMENT

The Board announces that the Equity Transfer Agreement which was the subject of the Company's announcement dated 13 April 2010 was terminated on 22 April 2010.

Reference is made to the announcement of the Company dated 13 April 2010 (the "Announcement") in relation to, among other things, the acquisition of a 100% equity interest in Huayin by Welling Washer Motor, a wholly-owned subsidiary of the Company, from Wuxi Little Swan pursuant to the Equity Transfer Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As stated in the Announcement, completion of the Acquisition is conditional upon the acquisition of 25% minority interest in Huayin by Wuxi Little Swan. At the request of Wuxi Little Swan, Welling Washer Motor agreed to the termination of the Equity Transfer Agreement and entered into an agreement (the "Termination Agreement") dated 22 April 2010 with Wuxi Little Swan for such termination after taking into consideration of the uncertainty of the acquisition of that 25% minority interest in Huayin by Wuxi Little Swan. Under the Termination Agreement, the Equity Transfer Agreement shall terminate and be of no effect, and Welling Washer Motor and Wuxi Little Swan agreed to release each other from all responsibilities and obligations under the Equity Transfer Agreement, with effect from the signing of the Termination Agreement.

The Directors consider that the termination of the Equity Transfer Agreement has no material adverse impact on the business development of the Group. The Company will continue to look for investment opportunities to further develop the business of the Group.

By order of the Board
Welling Holding Limited
Tang Wai Ying, Tracy
Company Secretary

Hong Kong, 22 April 2010

As at the date of this announcement, the directors of the Company are:

Executive directors: Mr. Cai Qiwu (*Chairman*), Mr. Jiang Deqing (*Chief Executive Officer*), Mr. Qu Fei, Mr. Gao Fazhong, Ms. Yuan Liqun, Mr. Li Jianwei and Mr. Zheng Weikang

Independent non-executive directors: Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua