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**華南**

**WAH NAM INTERNATIONAL HOLDINGS LIMITED**

**華南投資控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 159)**

**PLACING OF EXISTING SHARES  
AND  
SUBSCRIPTION OF NEW SHARES**

**Placing Agent**

 **新鴻基金融集團**  
**SUN HUNG KAI FINANCIAL**

**THE PLACING AGREEMENT AND SUBSCRIPTION AGREEMENT**

On 9 February 2010, after trading hours, Gracious Fortune and Parklane International entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agreed to place, on a best efforts basis, the Placing Shares comprising in aggregate up to 334,000,000 existing Shares at the Placing Price of HK\$0.90 per Placing Share on behalf of Gracious Fortune and Parklane International to not fewer than six Placees who and whose ultimate beneficial owners are Independent Third Parties.

On the same date after trading hours, the Company, Gracious Fortune and Parklane International entered into the Subscription Agreement for the subscription of up to 334,000,000 new Shares in aggregate at the Placing Price.

\* *For identification purpose only*

The Placing is unconditional. The Subscription is conditional upon (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such permission and listing not subsequently being revoked prior to the allotment and issue of the Subscription Shares); and (b) the Completion.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company, Gracious Fortune, Parklane International and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market condition and that the Placing is in the interests of the Company and the Shareholders as a whole.

The Placing Shares represent approximately 12.00% of the existing issued share capital of the Company and the Subscription Shares represent approximately 10.72% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 29 July 2009.

The net proceeds from the Subscription, after deduction of the Placing commission and other related expenses, will be approximately HK\$297 million. The Directors intend to use not more than HK\$10 million of the net proceeds as general working capital and the remaining HK\$287 million for potential acquisitions or investments in mineral-related businesses.

## **THE PLACING AGREEMENT**

**Date:** 9 February 2010 (after trading hours)

**Parties:** (1) Vendors: Gracious Fortune  
Parklane International

(2) Placing agent: the Placing Agent

### **Vendors**

As at the date of this announcement, Gracious Fortune and Parklane International are the beneficial owners of 195,000,000 Shares and 140,592,592 Shares respectively, representing approximately 7.01% and approximately 5.05% of the entire issued share capital of the Company respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of

Gracious Fortune and its ultimate beneficial owner is an Independent Third Party. The entire issued share capital of Parklane International is beneficially owned by Mr. Leung Chi Yan, a director of certain subsidiaries of the Company.

### **Placing Agent**

Sun Hung Kai Investment Services Limited, who and whose ultimate beneficial owners are Independent Third Parties. The Placing Agent will charge a placing commission of 1.00% of the gross proceeds from the Placing.

### **Placees**

The Placing Shares will be placed to not fewer than six Placees which will be independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder upon Completion, further announcement will be made by the Company.

### **Number of Placing Shares**

The Placing Shares of up to 334,000,000 Shares in aggregate represent approximately 12.00% of the existing issued share capital of the Company as at the date of this announcement.

As between Gracious Fortune and Parklane International as regards the Placing, the Placing Shares held by Gracious Fortune of up to 194,000,000 Shares are to be placed in the first place to the exclusion and before the Placing Shares held by Parklane International.

### **Placing Price**

The Placing Price of HK\$0.90 represents (i) a discount of approximately 18.92% to the closing price of HK\$1.11 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.92% to the average of the closing prices per Share of HK\$1.11 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company, Gracious Fortune, Parklane International and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market condition and that the Placing is in the interests of the Company and the Shareholders as a whole.

## **Rights**

The Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid after the date of the Placing Agreement.

## **Condition of the Placing**

The Placing is unconditional.

## **Completion**

Completion shall take place on or before 18 February 2010 or such other date as Gracious Fortune, Parklane International and the Placing Agent shall agree.

## **THE SUBSCRIPTION AGREEMENT**

**Date:** 9 February 2010 (after trading hours)

**Parties:** (1) Issuer: the Company

(2) Subscribers: Gracious Fortune

Parklane International

### **The subscriber**

As at the date of this announcement, Gracious Fortune and Parklane International are the beneficial owners of 195,000,000 Shares and 140,592,592 Shares respectively, representing approximately 7.01% and approximately 5.05% of the entire issued share capital of the Company respectively.

Immediately after Completion, assuming the entire number of the Placing Shares have been placed, the percentage shareholdings of Gracious Fortune and Parklane International will be reduced to approximately 0.04% and approximately 0.02% of the existing issued share capital of the Company respectively. The Subscription will then increase the percentage shareholdings of Gracious Fortune and Parklane International to approximately 6.26% and approximately 4.51% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares respectively.

## **Number of Subscription Shares**

The number of Subscription Shares shall be up to 334,000,000 Shares. The Subscription Shares represent approximately 12.00% of the existing issued share capital of the Company and approximately 10.72% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

## **Subscription Price**

The subscription price is HK\$0.90 per Subscription Share which is equivalent to the Placing Price. In line with the market practice, the Company will bear all costs and expenses of the Subscription and will reimburse Gracious Fortune and Parklane International all costs and expenses incurred by Gracious Fortune and Parklane International in respect of the Placing because it is the fund raising conducted by the Company. Based on the estimated expenses for the Placing and the Subscription, the net subscription price is approximately HK\$0.89 per Share.

## **Ranking of the Subscription Shares**

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

## **Conditions of the Subscription**

The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such permission and listing not subsequently being revoked prior to the allotment and issue of the Subscription Shares); and
- (b) the Completion.

In the event of the conditions above not having been fulfilled by 14 days after the date hereof (or such later date as may be agreed by the parties hereto), all rights, obligations and liabilities of the parties hereunder in relation to the Subscription shall cease and determine and none of the parties shall have any claim against any other in respect of the Subscription.

## **Completion of the Subscription**

Completion of the Subscription will take place on the business day following the fulfillment of all the conditions of the Subscription.

## **General Mandate to issue the Subscription Shares**

The Subscription Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 29 July 2009, subject to the limit of 546,051,648 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). The 334,000,000 Subscription Shares in aggregate to be allotted and issued will utilise approximately 61.17% of the General Mandate.

As at the date of this announcement, the Company has not utilised the General Mandate.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Group is principally engaged in the provision of limousine rental services; airport shuttle rental services; exploitation, processing and sales of copper, zinc and lead ore concentrates and; investment in equity securities.

In view of the market condition, the Directors consider that the Placing and Subscription represents a good opportunity for the Company to strengthen its cash resources and working capital position and to broaden its shareholders base. The Directors are of the view that the terms of the Placing Agreement and the Subscription Agreement are fair and reasonable and in the interests of the Shareholders.

The Group acquired its mining operation in 2008. The Company believes that whilst the PRC mining operations will continue to offer good prospects to the Group, the Group will also actively seek opportunities to invest in mineral resources business in other countries with a view to positioning the Group as a significant player in mineral trading. The Placing and Subscription will further enhance the Groups financial position and allow it to make acquisitions or strategic investments when opportunities arise.

## USE OF PROCEEDS

The gross proceeds of the Subscription will amount up to approximately HK\$300.6 million. The net proceeds from the Subscription, after the deduction of the Placing commission and other related expenses, will be approximately HK\$297 million. The Directors intend to use not more than HK\$10 million of the net proceeds as general working capital and the remaining HK\$287 million for potential acquisitions or investments in mineral-related businesses. The Company is actively exploring different acquisition and/or investment opportunities and will make further announcement(s) in this regard as and when required under the Listing Rules.

## FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The following is the equity fund raising activities conducted by the Group in the past 12 months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
17 June 2009	Placing of existing Shares and subscription of new Shares	Approximately HK\$99.1 million	For potential acquisitions or investments opportunities in mineral-related businesses	Used as investment in a mineral-related company

## CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing and the Subscription are as follows:

<b>Shareholders</b>	<b>At the date of this announcement</b>		<b>Immediately after Completion but prior to the completion of the Subscription</b>		<b>Immediately after completion of the Subscription</b>	
	<i>No. of Shares</i>	<i>Approximate Percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>	<i>No. of Shares</i>	<i>Approximate Percentage</i>
Leading Highway Limited <i>(Note 1)</i>	445,500,000	16.01	445,500,000	16.01	445,500,000	14.30
Shimmer Expert Investments Limited <i>(Note 2)</i>	279,548,000	10.05	279,548,000	10.05	279,548,000	8.97

Shareholders	At the date of this announcement		Immediately after Completion but prior to the completion of the Subscription		Immediately after completion of the Subscription	
	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate
		Percentage		percentage		Percentage
Parklane International (Note 3)	140,592,592	5.05	592,592	0.02	140,592,592	4.51
Equity Valley Investments Limited (Note 4)	96,008,000	3.45	96,008,000	3.45	96,008,000	3.08
<b>Public Shareholders</b>						
Gracious Fortune	195,000,000	7.01	1,000,000	0.04	195,000,000	6.26
The Placees (public)	—	—	334,000,000	12.00	334,000,000	10.72
Other existing public Shareholders	<u>1,625,609,652</u>	<u>58.43</u>	<u>1,625,609,652</u>	<u>58.43</u>	<u>1,625,609,652</u>	<u>52.16</u>
<b>Total</b>	<u><u>2,782,258,244</u></u>	<u><u>100.00</u></u>	<u><u>2,782,258,244</u></u>	<u><u>100.00</u></u>	<u><u>3,116,258,244</u></u>	<u><u>100.00</u></u>

*Notes:*

1. These Shares are held by Leading Highway Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Cheng Yung Pun, a former Director who resigned on 16 February 2009.
2. These Shares are held by Shimmer Expert Investments Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Groom High Investments Limited. Groom High Investments Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Ms. Zhang Li.
3. These Shares are held by Parklane International, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Leung Chi Yan, a director of certain subsidiaries of the Company.
4. These Shares are held by Equity Valley Investments Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Luk Kin Peter Joseph, the chairman of the Board and an executive Director.

The Company has issued outstanding convertible notes due in 2013, the conversion price of which may be adjusted as a result of the Placing and the Subscription. The Company will issue a separate announcement regarding the adjustment to the conversion price.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Wah Nam International Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Stock Exchange
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	on or before 18 February 2010 or such other date as Gracious Fortune, Parklane International and the Placing Agent shall agree
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 July 2009, pursuant to which a maximum of 546,051,648 new Shares may fall to be allotted and issued as at the date of this announcement
“Gracious Fortune”	Gracious Fortune Investments Limited, a Shareholder holding 195,000,000 Shares representing approximately 7.01% of the entire issued share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party which is not connected persons (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons

“Last Trading Day”	9 February 2010, being the date of this announcement.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parklane International”	Parklane International Holdings Limited, a Shareholder holding 140,592,592 Shares representing approximately 5.05% of the entire issued share capital of the Company as at the date of this announcement
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 334,000,000 Shares in aggregate owned by Gracious Fortune and Parklane International pursuant to the terms of the Placing Agreement
“Placing Agent”	Sun Hung Kai Investment Services Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 9 February 2010 and entered into among Gracious Fortune, Parklane International and the Placing Agent in relation to the placing of up to 334,000,000 Shares in aggregate owned by Gracious Fortune and Parklane International
“Placing Price”	HK\$0.90 per Placing Share
“Placing Share(s)”	up to 334,000,000 Shares in aggregate to be placed under the Placing
“Share(s)”	ordinary issued share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Specified Event”	means an event occurring or matter arising on or after the date hereof and prior to the date of completion which if it had occurred or arisen before the date hereof would have rendered any of the undertakings, warranties and representations given by the Company in the Placing Agreement untrue or incorrect and such would have an adverse impact/effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by Gracious Fortune and Parklane International pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 9 February 2010 and entered into between the Company, Gracious Fortune and Parklane International in respect of the subscription of up to 334,000,000 Shares in aggregate
“Subscription Shares”	up to 334,000,000 Shares in aggregate for which Gracious Fortune and Parklane International has conditionally agreed to subscribe pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Wah Nam International Holdings Limited**  
**Luk Kin Peter Joseph**  
*Chairman*

Hong Kong, 9 February 2010

*As at the date of this announcement, the Board comprises Mr. Luk Kin Peter Joseph and Mr. Chan Kam Kwan, Jason as executive Directors and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive Director.*