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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)

**(1) PLACING OF EXISTING SHARES
AND
SUBSCRIPTION OF NEW SHARES
(2) POSSIBLE ACQUISITIONS
(3) RESUMPTION OF TRADING**

Lead Placing Agent

CANTOR
Fitzgerald 建達

Cantor Fitzgerald (Hong Kong) Capital Markets Limited

Second Placing Agent

 **新鴻基金融集團**
SUN HUNG KAI FINANCIAL

Sun Hung Kai Investment Services Limited

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Gracious Fortune, Parklane International, the Company and the Placing Agents entered into the Agreement pursuant to which (i) the Placing Agents agreed to place, on a best effort basis, the Placing Shares comprising up to 185,000,000 existing Shares at the Placing Price of HK\$1.11 per Placing Share on behalf of Gracious Fortune and Parklane International, and (ii) Gracious Fortune and Parklane International agreed to subscribe for up to 185,000,000 new Shares in aggregate at the Subscription Price.

* For identification purpose only

The Placing is unconditional. The Subscription is conditional upon (a) the Listing Committee of the Stock Exchange agreeing to grant the 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); (b) the Placing Completion; and (c) the Company, either itself or through its advisers, (i) applying to the Stock Exchange for listing of and permission to deal in the Subscription Shares; and (ii) taking such other actions, including the submission on behalf of the Company of such information as may be required by the relevant authority for the purpose of such application.

The Company will apply to 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 Agents. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and that the Placing is in the interests of the Company and the Shareholders as a whole.

The Placing Shares represent approximately 5.22% of the existing issued share capital of the Company and the Subscription Shares represent approximately 4.96% 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 14 May 2010.

The net proceeds from the Subscription, after deduction of the Placing commission and brokerage and other related expenses, will be up to approximately HK\$199 million. The Directors intend to use not less than HK\$170 million of the net proceeds, or the entire net proceeds if such net proceeds are less than HK\$170 million, to fund the Group's potential acquisitions or investment opportunities in mineral-related businesses or companies which are complementary to the Group's mining business and any remaining net proceeds of up to approximately HK\$29 million as general working capital for the Group.

POSSIBLE ACQUISITIONS

The Company is contemplating to acquire shares of mineral resources related companies listed on an overseas stock exchange. The Group has not formed a definitive proposal or entered into any binding agreement to acquire such listed shares. The Company will make a further announcement in this regard as and when required under the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 18 June 2010 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 21 June 2010.

THE AGREEMENT

The Agreement was entered into on 17 June 2010 (and was subsequently amended) by Gracious Fortune, Parklane International, the Company and the Placing Agents.

- Parties:**
- (1) Vendors:
 - (i) Gracious Fortune in respect of 157,000,000 Shares; and
 - (ii) Parklane International in respect of 28,000,000 Shares
 - (2) Issuer: the Company
 - (3) Placing agents:
 - (i) Cantor Fitzgerald (Hong Kong) Capital Markets Limited; and
 - (ii) Sun Hung Kai Investment Services Limited

The Placing

As at the date of this announcement, Gracious Fortune and Parklane International are the beneficial owners of 157,000,000 Shares and 140,592,592 Shares respectively, representing approximately 4.43% and approximately 3.97% respectively of the entire issued share capital of the Company. The entire issued share capital of Parklane International is beneficially owned by Mr. Leung Chi Yan, a director of certain subsidiaries of the Company. Save as aforesaid, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Gracious Fortune, Parklane International and their respective ultimate beneficial owners is an Independent Third Party.

Placing Agents

Cantor Fitzgerald (Hong Kong) Capital Markets Limited and Sun Hung Kai Investment Services Limited are the Placing Agents for the Placing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agents and their respective ultimate beneficial owners are Independent Third Parties. The Placing Agents will charge the Company a placing commission and brokerage of 2.5% of the gross proceeds from the Placing.

Placees

The Placing Shares will be placed on a best effort basis to more 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 the Placing Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules).

Number of Placing Shares

The Placing Shares of up to 185,000,000 Shares represent approximately 5.22% of the existing issued share capital of the Company as at the date of this announcement.

The Placing Shares held by Gracious Fortune of up to 157,000,000 Shares are to be placed before the Placing Shares held by Parklane International.

Placing Price

The Placing Price of HK\$1.11 represents (i) a discount of approximately 18.38% to the closing price of HK\$1.36 per Share as quoted on the Stock Exchange on 17 June 2010, being the date of the Agreement and (ii) a discount of approximately 19.57% to the average of the closing prices per Share of approximately HK\$1.38 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 June 2010, being the last trading day prior to the date of the Agreement.

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 Agents. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and that the Placing is in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

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 Agreement.

Placing Completion

The Placing is unconditional. Placing Completion shall take place two business days immediately after the date of the Agreement, or if later, the date of resumption of trading of the Shares after publication of this announcement or such other date as Gracious Fortune, Parklane International and the Placing Agents shall agree.

The Subscription

Subscribers

Subject to the terms and conditions of the Agreement, Gracious Fortune and Parklane International will subscribe for the number of Placing Shares sold by them under the Agreement up to 157,000,000 Shares and 28,000,000 Shares respectively. As at the date of this announcement, Gracious Fortune and Parklane International are the beneficial owners of 157,000,000 Shares and 140,592,592 Shares respectively, representing approximately 4.43% and approximately 3.97% respectively of the entire issued share capital of the Company.

Immediately after completion of the Placing, assuming the entire amount of the Placing Shares have been placed, Gracious Fortune will not hold any Shares and the shareholding of Parklane International will be reduced to approximately 3.18% of the existing issued share capital of the Company. The Subscription will then increase the shareholding of Gracious Fortune and Parklane International to approximately 4.21% and 3.77% respectively of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Number of Subscription Shares

The number of Subscription Shares shall equal to the number of Placing Shares actually being placed and shall be up to 157,000,000 Shares (in relation to Gracious Fortune) and 28,000,000 Shares (in relation to Parklane International). The maximum number of Subscription Shares represents approximately 4.96% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The subscription price is HK\$1.11 per Subscription Share which is equivalent to the Placing Price. In line with 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\$1.076 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 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);
- (b) Placing Completion in accordance with the terms of the Agreement; and
- (c) the Company, either itself or through its advisers,
 - (i) applying to the Stock Exchange for listing of and permission to deal in the Subscription Shares; and
 - (ii) taking such other actions, including the submission on behalf of the Company of such information as may be required by the relevant authority for the purpose of such application.

In the event of the conditions above not having been fulfilled on or before 30 June 2010 (or such later date as may be agreed by the Company in writing), all rights, obligations and liabilities of the parties under the Agreement 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 same business day as the date of 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 14 May 2010, pursuant to which a maximum of 708,887,097 Shares may be allotted and issued by the Company. As at the date of this announcement, no Share has been issued under the General Mandate. The Subscription is accordingly not subject to Shareholders' approval.

Application for listing

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

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

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

The gross proceeds of the Subscription will amount up to HK\$205.35 million. The net proceeds from the Subscription, after the deduction of the Placing commission and brokerage and other related expenses will be up to approximately HK\$199 million. The net proceeds of not less than HK\$170 million, or the entire net proceeds if such net proceeds are less than HK\$170 million, will be used to fund the Group's potential acquisitions or investment opportunities in mineral-related businesses or companies which are complementary to the Group's mining business. Any remaining net proceeds of up to approximately HK\$29 million will be used as general working capital for the Group. The Directors consider that the terms of the Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

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

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual application of the net proceeds
17 June 2009	Placing of existing Shares and subscription of new Shares	Approximately HK\$99.1 million	For potential acquisitions or investment opportunities in mineral-related businesses.	The entire net proceeds have been used as investment in a mineral related Company.
9 February 2010	Placing of existing Shares and subscription of new Shares	Approximately HK\$297 million	Not more than HK\$10 million for general working capital and not less than HK\$287 million for potential acquisitions or investment in mineral-related businesses.	Approximately HK\$223.4 million has been used as investment in mineral related companies and approximately HK\$8 million has been used for general working capital. The Company intends to use the remaining proceeds to invest in mineral related companies.

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:

Shareholders	At the date of this announcement		Immediately after Placing Completion but prior to the completion of the Subscription		Immediately after completion of the Subscription	
	No. of Shares	% (approx)	No. of Shares	% (approx)	No. of Shares	% (approx)
Leading Highway Limited (Note 1)	445,500,000	12.57	445,500,000	12.57	445,500,000	11.95
Shimmer Expert Investments Limited (Note 2)	279,548,000	7.89	279,548,000	7.89	279,548,000	7.50
Parklane International (Note 3)	140,592,592	3.97	112,592,592	3.18	140,592,592	3.77
Mr. Luk and his associates (Note 4)	199,456,276	5.63	199,456,276	5.63	199,456,276	5.35
Public Shareholders						
Gracious Fortune	157,000,000	4.43	—	—	157,000,000	4.21
Villas Green Investments Limited	257,760,000	7.27	257,760,000	7.27	257,760,000	6.91
Smartpath Investments Limited	204,752,000	5.78	204,752,000	5.78	204,752,000	5.49
The Placees (Note 5)	—	—	185,000,000	5.22	185,000,000	4.96
Other public Shareholders	1,859,826,617	52.46	1,859,826,617	52.46	1,859,826,617	49.86
Total	<u>3,544,435,485</u>	<u>100.00</u>	<u>3,544,435,485</u>	<u>100.00</u>	<u>3,729,435,485</u>	<u>100.00</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, a director of a subsidiary of the Company.

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. 96,008,000 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, and 103,448,276 Shares are held by a company controlled by Mr. Luk's spouse.
5. The Placees will be independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners are Independent Third Parties (as defined under the Listing Rules). Upon Placing Completion, it is expected that none of the Placees will become a substantial Shareholder.

POSSIBLE ACQUISITIONS

The Company is contemplating to acquire shares of mineral resources related companies listed on an overseas stock exchange. The Group has not formed a definitive proposal or entered into any binding agreement to acquire such listed shares. The Company will make a further announcement in this regard as and when required under the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 18 June 2010 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 21 June 2010.

DEFINITIONS

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

“Agreement”	the placing and subscription agreement entered into on 17 June 2010 (and was subsequently amended) by Gracious Fortune, Parklane International, the Company and the Placing Agents in relation to the Placing and the Subscription of up to 185,000,000 Shares
“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
“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 14 May 2010, pursuant to which a maximum of 708,887,097 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 157,000,000 Shares representing approximately 4.43% 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 a connected person (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Luk”	Mr. Luk Kin Peter Joseph, the chairman of the Board and an executive Director
“Parklane International”	Parklane International Holdings Limited, a Shareholder holding 140,592,592 Shares representing approximately 3.97% 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 Agents to subscribe for any of the Placing Shares pursuant to the Agreement
“Placing”	the placing, on a best effort basis, of up to 185,000,000 Placing Shares in aggregate owned by Gracious Fortune and Parklane International pursuant to the terms of the Agreement

“Placing Agents”	Cantor Fitzgerald (Hong Kong) Capital Markets Limited and Sun Hung Kai Investment Services Limited. Cantor Fitzgerald (Hong Kong) Capital Markets Limited is a licensed corporation to carry out business in type 1 regulated activity (dealing in securities), type 2 regulated activity (dealing in futures contracts), type 3 regulated activity (leveraged foreign exchange trading) and type 4 regulated activity (advising on securities), and Sun Hung Kai Investment Services Limited is 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 Completion”	completion of the Placing in accordance with the terms as set out in the Agreement
“Placing Price”	HK\$1.11 per Placing Share
“Placing Share(s)”	up to 185,000,000 Shares to be placed by the Placing Agents on behalf of Gracious Fortune and Parklane International 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 issued Shares
“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 Agreement
“Subscription Shares”	up to 185,000,000 Shares for which Gracious Fortune and Parklane International have conditionally agreed to subscribe pursuant to the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Luk Kin Peter Joseph
Chairman

Hong Kong, 19 June 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 Directors.