



# WAH NAM INTERNATIONAL HOLDINGS LIMITED

華南投資控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 159)

## ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and investors that the Group has not yet finalized the renewal agreement for the year 2006 with the Hangzhou City government to compensate for the descent of toll receipt due to the policy of the Hangzhou City government exempting Hangzhou registered automobiles from toll payment since January 2004 as agreement on reasonable amount of compensation could not be reached. The Group will take appropriate action to remedy this situation. Notwithstanding, an aggregate amount of RMB8,000,000 have been received from the Hangzhou City government as partial payment of compensation as at the date of this announcement.

**Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the 2005 annual report of Wah Nam International Holdings Limited (the “Company”) for the year ended 31st December, 2005. It was stated that the Company and its subsidiaries (the “Group”) had renewed the agreement with the Hangzhou City government for granting the daily compensation of RMB50,000 for the year 2005 to compensate the descent of toll receipt due to the policy of the Hangzhou City government exempting the Hangzhou registered automobiles from toll payment since January 2004.

The Board wishes to inform the shareholders of the Company and investors that the Group and Hangzhou City government have not yet finalized the renewal agreement for the year 2006 as agreement on reasonable amount of compensation could not be reached. The Group will take appropriate action to remedy this situation. Notwithstanding, an aggregate amount of RMB8,000,000 have been received from the Hangzhou City government as partial payment of compensation as at the date of this announcement.

If the total annual compensation cannot be maintained at the same level of year 2005, the profit of the Company for the year 2006 would be adversely affected.

**Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.**

As at the date of this announcement, the Board comprises of Mr. Cheng Yung Pun, Mr. Yu Sui Chuen and Ms. Cheng Wing See, Nathalie as executive Directors, Mr. Luo ZhiJian as non-executive Director and Mr. Au-Yeung Tsan Pong, Davie, Mr. Fung Ka Choi and Mr. Wong Chu Fung as independent non-executive Directors.

By order of the Board  
**Cheng Yung Pun**  
*Chairman*

Hong Kong, 20th December, 2006

\* *For identification purpose only*