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WAH NAM INTERNATIONAL HOLDINGS LIMITED

華南投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 159)

TOP-UP PLACING AND RESUMPTION OF TRADING

Placing Agent



KINGSTON SECURITIES LIMITED

THE TOP-UP PLACING

On 15 May 2007, the Vendor, the controlling Shareholder, entered into the Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent, an aggregate of 118,900,000 existing Shares, on a best effort basis, to not fewer than six Placees who and whose ultimate beneficial owners will be third parties independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules) at a price of HK\$0.35 per Placing Share. Pursuant to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 118,900,000 Top-Up Subscription Shares at a price of HK\$0.35 per Top-Up Subscription Share.

The Placing Price (or the Top-Up Subscription Price) of HK\$0.35 represents (i) a discount of approximately 14.63% to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of approximately 12.54% over the average closing price per Share of approximately HK\$0.311 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a premium of approximately 24.78% over the average closing price per Share of HK\$0.2805 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The 118,900,000 Placing Shares (or the Top-Up Subscription Shares) represent (i) approximately 19.99% of the existing issued share capital of the Company of 594,837,652 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 713,737,652 Shares as enlarged by the Top-Up Subscription.

The Top-Up Subscription Agreement is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares; (ii) completion of the Placing Agreement; and (iii) the Company obtaining all consents and approvals from the relevant authorities, if applicable, to allot, issue and transfer the Top-Up Subscription Shares.

The gross proceeds from the Top-Up Subscription will be approximately HK\$41.6 million. The net proceeds of approximately HK\$40.3 million from the Top-Up Subscription is intended to be used for general working capital of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:31 a.m. on 14 May 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 16 May 2007.

THE TOP-UP PLACING

THE PLACING AGREEMENT

Date

15 May 2007

Parties involved

The Placing Agent and the Vendor

Placing Agent

The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market rate. The Placing Agent and its ultimate beneficial owners are third parties independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Agent agreed to place the Placing Shares on a best effort basis, to not fewer than six Placees who and whose ultimate beneficial owners will be third parties independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). Immediately after completion of the Placing, none of the Placees will become a substantial Shareholder (as defined in the Listing Rules).

Placing Price

The Placing Price of HK\$0.35 represents (i) a discount of approximately 14.63% to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of approximately 12.54% over the average closing price per Share of approximately HK\$0.311 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a premium of approximately 24.78% over the average closing price per Share of HK\$0.2805 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on 15 May 2007. Having considered the highly volatile capital market conditions, the Directors (including the independent non-executive Directors) consider that the terms of the Placing, including the placing commission, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The 118,900,000 Placing Shares represent (i) approximately 19.99% of the existing issued share capital of the Company of 594,837,652 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 713,737,652 Shares as enlarged by the Top-Up Subscription.

Ranking of Placing Shares

The Placing Shares rank *pari passu* among themselves and with Shares in issue as at the date of this announcement.

Condition of the Placing Agreement

The Placing Agreement is unconditional.

Completion

The Placing Agreement is expected to be completed on or before 22 May 2007.

THE TOP-UP SUBSCRIPTION AGREEMENT

Date

15 May 2007

Parties involved

The Company and the Vendor

The Top-Up Subscription Price

The Top-Up Subscription Price is HK\$0.35 per Share. The Top-Up Subscription Price is the same to the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price of the Placing Shares.

Number of Top-Up Subscription Shares

The number of Top-Up Subscription Shares is equivalent to the number of Placing Shares, being 118,900,000, representing (i) approximately 19.99% of the existing issued share capital of the Company of 594,837,652 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company of 713,737,652 Shares as enlarged by the Top-Up Subscription.

Ranking of Top-Up Subscription Shares

The Top-Up Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Top-Up Subscription Shares.

The Top-Up Subscription Shares

The Top-Up Subscription Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM (i.e. 118,967,530 Shares). Up to the date of this announcement, none of the new Shares has been issued under the General Mandate and the total number of new Shares that can be allotted and issued under the General Mandate is therefore 118,967,530 Shares. After the allotment and issue of the 118,900,000 Top-Up Subscription

Shares which represent approximately 99.94% of the General Mandate, the General Mandate will be substantially utilized and only 67,530 Shares, representing approximately 0.06% of the General Mandate, will be available for further allotment under the General Mandate.

Conditions of the Top-Up Subscription Agreement

The Top-Up Subscription Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares;
- (ii) completion of the Placing Agreement;
- (iii) the Company obtaining all consents and approvals from the relevant authorities, if applicable, to allot, issue and transfer the Top-Up Subscription Shares.

Completion

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 29 May 2007.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 29 May 2007, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules (including the Shareholder's approval), to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor.

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Placing and Top-Up Subscription represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the Placing Agreement and the Top-Up Subscription Agreement are in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Top-Up Subscription will be approximately HK\$41.6 million. The net proceeds of approximately HK\$40.3 million from the Top-Up Subscription is intended to be used for general working capital of the Group. The net price raised per Share upon completion of the Top-Up Subscription will be approximately HK\$0.340 per Share. The estimated expense of approximately HK\$1.3 million in relation to the Placing, in particular the placing commission, legal fees and publication fees, will be borne by the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities on any issue of equity securities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after Placing but before Top-up Subscription		Immediately after Top-Up Subscription	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
Cheng Yung Pun (<i>Note</i>)	445,500,000	74.89%	326,600,000	54.91%	445,500,000	62.42%
Public						
— Placing Shares to be placed to the Placees under the Placing	—	—	118,900,000	19.99%	118,900,000	16.66%
— Other public Shareholders	<u>149,337,652</u>	<u>25.11%</u>	<u>149,337,652</u>	<u>25.10%</u>	<u>149,337,652</u>	<u>20.92%</u>
Total	<u>594,837,652</u>	<u>100.00%</u>	<u>594,837,652</u>	<u>100.00%</u>	<u>713,737,652</u>	<u>100.00%</u>

Note: These shares are held by Leading Highway Limited, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly owned by Mr. Cheng Yung Pun, an executive Director.

The Company shall ensure that no less than 25% of the issued share capital of the Company will be held by the public at all times immediately after the Placing and Top-Up Subscription on its best endeavors.

GENERAL

The Group is principally engaged in management and operation of toll road in the PRC.

The existing authorised share capital of the Company consists of 800,000,000 Shares out of which 594,837,652 Shares are issued and fully paid up. As at the date of this announcement, there are no outstanding options, warrants or securities convertible or exchangeable into Shares.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Top-Up Subscription Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:31 a.m. on 14 May 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 16 May 2007.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 25 April 2007
“Board”	the board of Directors
“Company”	Wah Nam International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the board of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Last Trading Date”	11 May 2007, being the last full trading day for the Shares before this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	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 Agent’s obligations under the Placing Agreement
“Placing”	the placing of 118,900,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement between the Vendor and the Placing Agent dated 15 May 2007 in relation to the Placing
“Placing Price”	HK\$0.35 per Placing Share
“Placing Share(s)”	an aggregate of 118,900,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.1 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription of 118,900,000 new Shares pursuant to the terms of Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement between the Vendor and the Company dated 15 May 2007 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$0.35 per Top-Up Subscription Share
“Top-Up Subscription Share(s)”	a total of 118,900,000 new Shares of aggregate nominal value of HK\$11,890,000 to be subscribed for by the Vendor pursuant to the Top-Up Subscription Agreement
“Vendor”	Leading Highway Limited, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly owned by Mr. Cheng Yung Pun, an executive Director

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
Cheng Yung Pun
Chairman

Hong Kong, 15 May 2007

As at the date of this announcement, the Board comprises 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.

* *For identification purpose only*