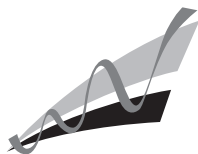


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WAH NAM INTERNATIONAL HOLDINGS LIMITED

華南投資控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 159)

VERY SUBSTANTIAL ACQUISITION INCREASE IN AUTHORISED SHARE CAPITAL AND RESUMPTION OF TRADING

Financial adviser to Wah Nam International Holdings Limited

Piper Jaffray

On 30 January 2008, the Company, the Purchaser and the Vendors entered into the S&P Agreement pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to dispose of the entire issued share capital of the Target Company for the Total Consideration, being HK\$650,000,000. The Total Consideration will be satisfied (i) as to HK\$140,000,000 in cash; (ii) as to HK\$103,500,000 by the issue of the Consideration Shares by the Company to the Vendors at the Issue Price; and (iii) as to HK\$406,500,000 by the issue of the Convertible Notes to the Vendors. Save as the Acquisition, the Company has no previous transactions with the Vendors and their ultimate beneficial owners which would require to be aggregated with the Acquisition pursuant to Rules 14.22 of the Listing Rules.

The Target Group is principally engaged in exploitation, processing and sale of copper, lead, zinc, arsenic, silver and other mineral resources. The Target Company legally and beneficially owns 90% equity interest in Luchun Xingtai, which has been granted the exploitation rights relating to a copper mine in Luchun County, Yunnan Province, the PRC.

* *For identification purpose only*

The Consideration Shares represent approximately 38.99% of the existing issued share capital of the Company, approximately 28.05% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and approximately 13.35% of the issued share capital of the Company as enlarged by the allotment and issue of both the Consideration Shares and the Conversion Shares, assuming full conversion of the Convertible Notes and the Conversion Shares were to be issued at the Initial Conversion Price.

The Conversion Shares represent approximately 153.15% of the existing issued share capital of the Company, approximately 52.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares, assuming full conversion of the Convertible Notes and the Conversion Shares were to be issued at the Initial Conversion Price. Pursuant to the terms of the Convertible Notes, the Conversion Rights shall not be exercised by the Noteholder if, immediately following the conversion (i) the Company will be unable to meet the public float requirement under the Listing Rules; and (ii) the Noteholder together with the parties acting in concert with it will hold or control such amount of the Company's voting power at general meetings as may trigger a mandatory general offer under the Takeovers Code (whether or not a waiver of the mandatory general offer obligation has been granted).

In facilitating the issue of the Consideration Shares and the Convertible Notes, the Board intends to put forward a proposal to the Shareholders to increase the authorised ordinary share capital of the Company from HK\$200,000,000, divided into 2,000,000,000 Shares of HK\$0.10 each, to HK\$400,000,000, divided into 4,000,000,000 Shares of HK\$0.10 each, by the addition of HK\$200,000,000, divided into 2,000,000,000 new Shares. The new Shares, upon issue, shall rank *pari passu* in all respects with the existing Shares.

The Acquisition is conditional on the increase in authorised share capital being approved by the Shareholders at the SGM and the increase in authorised share capital is not conditional on the approval or completion of the Acquisition.

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, the Acquisition is therefore subject to the approval of the Shareholders at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, neither the Vendors nor any of their associates holds any Share as at the date of this announcement and no Shareholder has a material interest in the Acquisition, and therefore no Shareholder is required to abstain from voting on the resolution to approve the Acquisition at the SGM.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the accountants reports pursuant to Rule 14.69(4)(a)(i) of the Listing Rules; (iii) a technical report of the Target Group pursuant to Chapter 18 of the Listing Rules; (iv) the proposed increase in the authorised share capital of the Company; and (v) the notice of the SGM will be despatched to the Shareholders as soon as practicable.

The Board noted the increase in trading volume and price of the Shares on 29 January 2008 and confirm that save as disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price sensitive nature.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 11:45 a.m. on 29 January 2008 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on Stock Exchange with effect from 9:30 a.m. on 13 February 2008.

Completion of the Acquisition is subject to fulfillment of conditions precedent including the Purchaser being satisfied in its absolute discretion with the results of due diligence review and the obtaining of the approval of the Shareholders, and therefore, the Acquisition may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Directors are pleased to announce that on 30 January 2008, the Company, the Purchaser and the Vendors entered into the S&P Agreement, a summary of the major terms of which is set out below.

THE S&P AGREEMENT

Date

30 January 2008

Parties

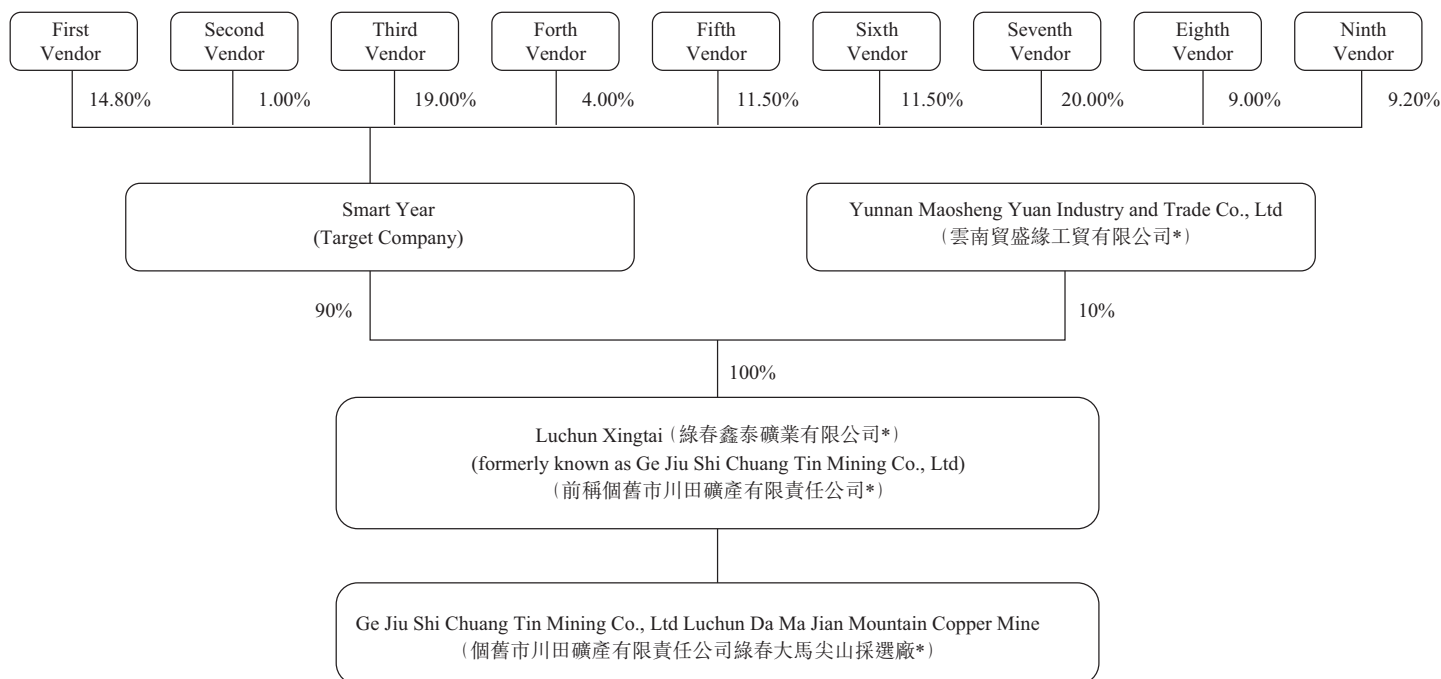
The Company, the Purchaser (i.e., Golden Genie Limited, a wholly owned subsidiary of the Company) and the Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners, are third parties independent of and not parties acting in concert with the Company and its connected persons (as defined under the Listing Rules) and, save as being shareholders of the Target Company, the Vendors and their ultimate beneficial owners are independent of each other.

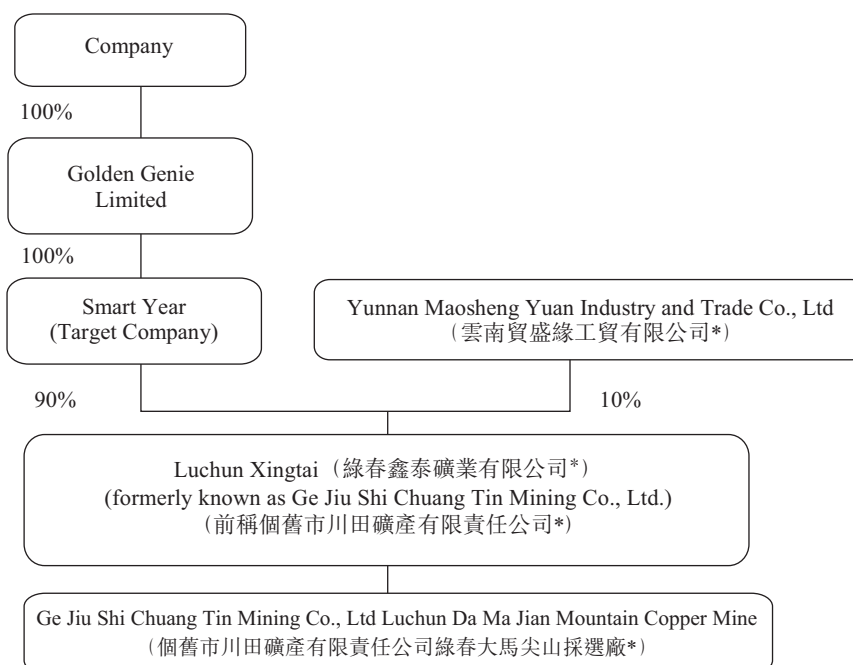
Subject Matter

Upon Completion, the Company will own the entire issued share capital in the Target Company and the results of the Target Company will be consolidated in the financial statements of the Group.

Immediately before the Completion, the shareholding structure of the Target Group is set out below:



Upon Completion, the shareholding structure of the Target Group will be as set out below:



Consideration

Pursuant to the S&P Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the entire issued share capital of the Target Company at a consideration for HK\$650,000,000, which will be satisfied in the following manner:

Vendor	No. of Target Company's shares	Shareholding (%)	Consideration (HK\$'000)	Consideration				
				Cash (HK\$'000)	Number of Consideration Shares to be issued	Amount of the Consideration Shares (HK\$'000)	Number of Convertible Notes to be issued	Principal amount of the Convertible Notes (HK\$'000)
First Vendor	1,480	14.80	96,200	80,200	42,500,000	12,750	10,832,000	3,250
Second Vendor	100	1.00	6,500	—	21,668,000	6,500	—	—
Third Vendor	1,900	19.00	123,500	—	194,164,000	58,250	217,500,000	65,250
Fourth Vendor	400	4.00	26,000	—	86,668,000	26,000	—	—
Fifth Vendor	1,150	11.50	74,750	—	—	—	249,168,000	74,750
Sixth Vendor	1,150	11.50	74,750	—	—	—	249,168,000	74,750
Seventh Vendor	2,000	20.00	130,000	—	—	—	433,332,000	130,000
Eighth Vendor	900	9.00	58,500	—	—	—	195,000,000	58,500
Ninth Vendor	920	9.20	59,800	59,800	—	—	—	—
Total:	10,000	100.00	650,000	140,000	345,000,000	103,500	1,355,000,000	406,500

By two pledge agreements dated 14 December 2007 and 19 December 2007 respectively among Kunming Branch of Shanghai Pudong Development Bank and Luchun Xingtai, Luchun Xingtai had pledged, among other things, the exploitation rights relating to the Mine and the Mining Licence to the bank to secure the repayment obligations of Yunnan Rui Juyang Trading Co., Ltd (雲南銳聚源商貿有限公司*) and Yunnan Maosheng Yuan Industry And Trade Co., Ltd (雲南貿盛緣工貿有限公司*), the minority shareholder of Luchun Xingtai, of bank borrowings in the aggregate amount of RMB60,000,000.

Pursuant to the S&P Agreement, the Purchaser shall pay the First Vendor the sum of HK\$80,200,000 as part payment of the Total Consideration on the Completion Date.

Subject to fulfillment of the conditions precedent set forth in the paragraph headed “Conditions” below and on the Payment Date, which is defined as the tenth Business Day following the date of the Purchaser having received from the Vendors documentary or other evidence to its reasonable satisfaction that the Pledge has been absolutely discharged and released, the Purchaser shall settle the remaining balance of the Total Consideration by way of delivering to the Vendors (a) a cheque for the remaining cash consideration (other than HK\$80,200,000 payable to the First Vendor), (b) the Note Certificates for the Convertible Notes, and (c) the definitive certificate for the Consideration Shares to the relevant Vendors.

In the event that the Purchaser has not received by the Payment Long Stop Date from the Vendors documentary or other evidence to its reasonable satisfaction that the Pledge has been absolutely discharged and released, all payment obligations of the Purchaser in respect of the Total Consideration shall be deemed to have been absolutely fulfilled and discharged in full by the payment of HK\$80,200,000 to First Vendor and the Vendors shall not claim the Purchaser nor the Company for payment of any Total Consideration.

The Total Consideration was determined after arm's length negotiations between the Vendors and the Purchaser after considering a number of factors, including, but not limited to the estimated total resources of contained natural copper, lead, zinc, arsenic, silver and the other mineral resources of the Mine, the prevailing prices of these mineral resources, the financial position of the Target Group, the implied reserve value of comparable international and PRC copper, lead, arsenic producers based on market capitalization and reserve amount, and implied reserve value of comparable acquisitions based on acquisition consideration and the relevant reserve amount. To the best knowledge of the Directors, the recent market price of copper are in the range of RMB62,650 to RMB62,850 per ton, lead are in the range of RMB22,100 to RMB22,200 per ton, zinc are in the range of RMB20,400 to RMB20,600 per ton, arsenic are in the range of RMB11,000 to RMB13,000 per ton, and silver are in the range of RMB3,870 to RMB3,880 per kilogram, depending on factors such as the gradings of the ore concentrates and the demand and supply.

As part of the Company's due diligence review, an independent valuer (the "Valuer") will be appointed by the Company to opine on the valuation of the Mine. If the Company does not satisfy with the valuation indicated by the Valuer, it may renegotiate the price of the Acquisition with the Vendors based on such valuation. It is expected that if the Company does not satisfy with the valuation indicated by the Valuer and the Vendors refuses to renegotiate with the Company on the price of Acquisition, the S&P Agreement will not become unconditional as the Purchaser does not satisfy with its due diligence review.

The Company has also engaged Behre Dolbear, a mineral industry consulting firm which has appropriate qualification and relevant experience in the type of exploitation and processing activities proposed to be undertaken by the Company, as the technical adviser to the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Behre Dolbear and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Conditions

Completion of the S&P Agreement shall be conditional upon the fulfillment of the following conditions precedent:

- a) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review and investigation referred to in the S&P Agreement;
- b) the Purchaser having received from the Vendors a legal opinion issued by a PRC law firm acceptable to the Purchaser covering, inter alia, such matters relating to: (i) the due incorporation, shareholders, loans and liabilities (if any) and scope of business activities of Luchun Xingtai; (ii) the Mining Licence has been duly and validly issued by the proper PRC government authority; and (iii) such other matters as may be required by the Purchaser, in form and substance acceptable to the Purchaser;
- c) the Purchaser having received from the Vendors a legal opinion issued by a law firm in the BVI acceptable by the Purchaser, in form and substance acceptable to the Purchaser;

- d) the Purchaser having received from the Vendors of a report issued from a technical expert acceptable to the Purchaser relating to the state and condition of the Mine covering such matters as may be required by the Purchaser, in form and substance acceptable to the Purchaser;
- e) the passing of the resolution by Shareholders in SGM approving the S&P Agreement and the transactions contemplated hereunder;
- f) the passing of the resolution by the Shareholders in SGM approving the increase in the authorised share capital of the Company from HK\$200,000,000 to HK\$400,000,000;
- g) the Company having raised sufficient fund to finance its cash payment obligations under the S&P Agreement;
- h) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Consideration Shares and the Conversion Shares;
- i) (where required) the Bermuda Monetary Authority granting its permission in respect of the allotment and issue of the Consideration Shares and the Conversion Shares;
- j) all necessary consents, approval and authorisations having been obtained from all relevant authorities in the PRC and in any other applicable jurisdiction in connection with the transactions contemplated under the S&P Agreement, the implementation of the transactions contemplated hereunder and all other matters incidental hereto; and
- k) there being no event existing or having occurred and no condition being in existence which would constitute a material breach of the Warranties by any of the Vendors.

In the event of any of the above conditions shall not be fulfilled by the Completion Long Stop Date (or such later date as the parties hereto may agree in writing), the S&P Agreement shall be null and void and of no further effect and no party to the S&P Agreement shall have any further liability to any other parties under or in connection with the S&P Agreement without prejudice to the rights of any such parties in respect of any antecedent breaches.

Completion

Completion will take place on the day where the conditions of the S&P Agreement as set out in the section headed “Conditions” of this announcement have been fulfilled, or such other date as the parties shall agree in writing.

CONSIDERATION SHARES

The Issue Price of the Consideration Shares of HK\$0.30 per Consideration Share represents:

- (i) a discount of approximately 45.45% over the closing price of HK\$0.55 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 43.40% to the average closing price of about HK\$0.53 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Date;
- (iii) a discount of approximately 44.44% to the average closing price of HK\$0.54 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 51.61% to the average closing price of HK\$0.62 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Date ; and
- (v) a premium of approximately 196.44% over the net assets value attributable to equity holders of the Company of approximately HK\$0.1012 per Share as at 31 December 2006 based on the audited financial statement of the Group for the year ended 31 December 2006.

The Issue Price of the Consideration Shares of HK\$0.30 per Consideration Share was determined after arm's length negotiations between the parties with reference to net asset value of the Group. For information purpose, the net asset value attributable to equity holders of the Company per Share as at 31 December 2006 based on the audited financial statement of the Group for the year ended 31 December 2006 was approximately HK\$0.1012, while the pro forma net asset value attributable to equity holders of the Company per Share as at 30 June 2007 based on the pro forma financial information as disclosed in the Circular was approximately HK\$0.1445 per Share (based on the existing number of Shares in issue). The Directors has also considered the pro forma earnings per Share attributable to equity holders of the Company based on the pro forma financial information for the year ended 31 December 2006 as disclosed in the Circular of HK\$(0.0044) (based on the existing number of Shares in issue) and the fact that the Group recorded losses for the six months ended 30 June 2007. Based on the above, the Directors consider the Issue Price to be fair and reasonable. The Consideration Shares represent approximately 38.99% of the existing share capital of the Company and approximately 28.05% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

There will be no restriction on the subsequent sale of the Consideration Shares.

The Consideration Shares will be allotted and issued under a specific mandate proposed to be granted subject to the approval of the Shareholders at the SGM. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

CONVERTIBLE NOTE

To satisfy part of the Total Consideration, the Company will issue to the Vendors the Convertible Notes in the aggregate principal amount of HK\$406,500,000. The following is a summary of the principal terms of the Convertible Notes:

- Maturity : The date falling on the fifth anniversary of the issue of the Convertible Notes.
- Redemption : The Company shall repay such principal moneys outstanding under the Convertible Notes to the Noteholders on the Maturity Date.
- Interest : The outstanding principal amount under the Convertible Note will not bear any interest.
- Status and Transferability : The Convertible Notes may be transferred or assigned in its entirety or in part at any time before the Maturity Date, subject to approval of the Stock Exchange, if required.

The Company has undertaken to the Stock Exchange that it will notify the Stock Exchange immediately upon becoming aware of any dealings in the Convertible Notes by connected persons of the Company (as defined in the Listing Rules).

- Conversion : The Convertible Notes may be converted in amounts of HK\$1,000,000 or integral multiples thereof, except that if the outstanding principal amount of the Convertible Note is less than HK\$1,000,000, the whole (but not part) of the outstanding principal amount of the Convertible Note must be converted.

Upon full conversion of the Convertible Notes at the Initial Conversion Price, an aggregate of 1,355,000,000 Conversion Shares will be issued by the Company (representing approximately 153.15% of the existing issued share capital of the Company, approximately 52.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares, assuming full conversion of the Convertible Notes and the Conversion Shares were to be issued at the Initial Conversion Price).

The Conversion Rights shall not be exercised by the Noteholder if, immediately following the conversion:

- (i) the Company will be unable to meet the public float requirement under the Listing Rules; or
- (ii) the Noteholder together with the parties acting in concert with it will hold or control such amount of the Company's voting power at general meetings as may trigger a mandatory general offer under the Takeovers Code (whether or not a waiver of the mandatory general offer obligation has been granted).

Initial Conversion Price : HK\$0.30 per Share, subject to usual anti-dilution adjustments in certain events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivatives issues. Each adjustment to the Conversion Price will be certified (at the option of the Company) either by the auditors of the Company for the then time being or by an approved merchant bank.

The Initial Conversion Price of HK\$0.30 per Conversion Share represents:

- (i) a discount of approximately 45.45% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 43.40% to the average of the closing prices of HK\$0.53 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;
- (iii) a discount of approximately 44.44% to the average of the closing prices of HK\$0.54 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including, being the last trading day immediately prior to the entering into of the S&P Agreement;
- (iv) a discount of approximately 51.61% to the average closing price of HK\$0.62 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Date; and
- (v) a premium of approximately 196.44% over the net assets value attributable to equity holders of the Company of approximately HK\$0.1012 per Share as at 31 December 2006 based on the audited financial statement of the Group for the year ended 31 December 2006

The Initial Conversion Price was determined after arm's length negotiations between the Company and the Vendors with reference to the Issue Price.

Listing : No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange.

The Conversion Shares to be issued as a result of the exercise of the Conversion Rights will rank *pari passu* in all respects with all other Shares in issue at the date on which the Conversion Rights are exercised.

There will be no restriction on the subsequent sale of the Conversion Shares.

The Conversion Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM and will be allotted and issued upon exercise of the Conversion Rights by the Noteholders.

An application will be made by the Company for the listing of and permission to deal in the Conversion Shares to be issued.

EFFECT ON SHAREHOLDING STRUCTURE

The following table summarises the shareholding structure of the Company as at the date of this announcement, and immediately after the issuance of the Consideration Shares, and the conversion of Convertible Notes:

Shareholders	As at the date of this announcement and before Completion		Immediately after Completion and the allotment and issue of the Consideration Shares		Immediately after the Completion and the allotment and issue of the Consideration Shares and assuming the conversion of Convertible Notes pursuant to S&P Agreement (Note 2 & Note 4)		FOR ILLUSTRATIVE PURPOSE ONLY Immediately after Completion and the allotment and issue of the Consideration Share and conversion of the Convertible Notes in full (Note 5)	
	Approximate		Approximate		Approximate		Approximate	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Cheng Yung Pun (Note 1)	445,500,000	50.35%	445,500,000	36.23%	445,500,000	35.25%	445,500,000	17.24%
The First Vendor	—	—	42,500,000	3.45%	42,771,799	3.38%	53,332,000	2.06%
The Second Vendor	—	—	21,668,000	1.76%	21,668,000	1.76%	21,668,000	0.84%
The Third Vendor	—	—	194,164,000	15.79%	199,621,565	15.80%	411,664,000	15.93%
The Fourth Vendor	—	—	86,668,000	7.05%	86,668,000	7.05%	86,668,000	3.35%
The Fifth Vendor	—	—	—	—	6,252,186	0.49%	249,168,000	9.64%
The Sixth Vendor	—	—	—	—	6,252,186	0.49%	249,168,000	9.64%
The Seventh Vendor	—	—	—	—	10,873,275	0.86%	433,332,000	16.77%
The Eighth Vendor	—	—	—	—	4,892,989	0.39%	195,000,000	7.54%
Sub total for The Vendors	—	—	345,000,000	28.05%	379,000,000	29.99%	1,700,000,000	65.77%
Juang William (Note 3)	100,000,000	11.31%	—	—	—	—	—	—
Other public Shareholders	339,237,652	38.34%	339,237,652	27.59%	339,237,652	26.85%	339,237,652	13.12%
Juang William (Note 3)	—	—	100,000,000	8.13%	100,000,000	7.91%	100,000,000	3.87%
Sub total for all public Shareholders	339,237,652	38.34%	439,237,652	35.72%	439,237,652	34.76%	439,237,652	16.99%
Total:	884,737,652	100.00%	1,229,737,652	100.00%	1,263,737,652	100.00%	2,584,737,652	100.00%

Note 1: These Shares are held by Leading Highway Limited, a company incorporated in the BVI with limited liability and the entire issued share capital of which is wholly owned by Mr. Cheng Yung Pun, an executive Director and controlling shareholder of the Company.

Note 2: Pursuant to the S&P Agreement, the Conversion Rights shall not be exercised by the Noteholder if, immediately following the conversion: (i) the Company will be unable to meet the public float requirement under the Listing Rules; or (ii) the Noteholder together with the parties acting in concert with it will hold or control such amount of the Company's voting power at general meetings as may trigger a mandatory general offer under the Takeovers Code (whether or not a waiver of the mandatory general offer obligation has been granted).

Note 3: Mr Juang William does not hold any position in the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as being a substantial shareholder of the Company, (i) Mr Juang William is independent and not a connected person (as defined under the Listing Rules) of the Company; (ii) Mr Juang William is not party acting in concert with the existing Shareholders; and (iii) Mr Juang William is not party acting in concert with the Vendors and their ultimate beneficial owners.

Note 4: Assuming the conversion of Convertible Notes on a pro-rata basis

Note 5: This column is solely for illustrative purpose as the Convertible Notes cannot be fully converted by the Vendors according to the terms of the Convertible Notes (see Note 2 above) under the present shareholding structure.

The share option scheme (the "Share Option Scheme") of the Company was adopted by the Company pursuant to the written resolution of the sole shareholder passed on 14th August, 2002. As at the date of this announcement, there has been no option granted since the adoption of the Share Option Scheme. As at the date of this announcement, there are 185,714,285 outstanding convertible securities.

INFORMATION ON THE PURCHASER

Golden Genie Limited is an investment holding company incorporated in the BVI with limited liability and a wholly owned subsidiary of the Company. The Group is principally engaged in the provision of limousine and airport shuttle transportation services in Hong Kong and management and operation of toll roads in the PRC. The Company has no present intention to dispose of any of its existing businesses after the Acquisition, subject to any good divesting opportunities in the future which are to the interests of the Company.

INFORMATION ON THE TARGET GROUP

The Target Group is principally engaged in exploitation, processing and sale of copper, lead, zinc, arsenic, silver and other mineral resources.

Smart Year is an investment holding company incorporated in the BVI. Other than its shareholding in Luchun Xingtai, Smart year has no business and assets as at the date of this announcement. Luchun Xingtai is a Sino-foreign equity joint venture enterprise established in February 2004 in PRC, which is owned as to 90% by Smart Year and as to 10% by Yunnan Maosheng Yuan Industry and Trade Co., Ltd (雲南貿盛緣工貿有限公司*). The registered capital of Luchun Xingtai is RMB20,000,000. Luchun Xingtai is the holder of the Mining License and the exploitation rights relating to the Mine. The Mine is located in Luchun County, Yunnan Province, the PRC. The Mining License covers an aggregate mine area of 3.6656 square kilometres. According to a draft report prepared by the Kunming University of Science and Technology (昆明理工大學*), the Mine contains estimated resource of approximately 256,000 tons of copper, 273,000 tons of lead, 66,000 tons of zinc, 1,019,000 tons of arsenic and 42,000 tons of other mineral resources. Luchun Xingtai has established a branch, namely Ge Jiu Shi Chuang Tin Mining Co., Ltd. Luchun Da Ma Jian Mountain Copper Mine (個舊市川田礦產有限責任公司綠春大馬尖山採選廠*), an ore processing plant which has production capacity of 1,300 tons per day.

FINANCIAL INFORMATION OF THE TARGET GROUP

Smart Year is an investment holding company incorporated in April 2007 with no other business or assets other than its shareholding in Luchun Xingtai and no accounts have been prepared. Set out below is the unaudited consolidated financial information of the Luchun Xingtai prepared in accordance with accounting principles generally accepted in the PRC for the two years ended 31 December 2007:

	As at			
	31 December 2007		31 December 2006	
	(RMB\$'000)	(HK\$'000)	(RMB\$'000)	(HK\$'000)
Total assets	22,346	24,134	20,147	21,759
Total liabilities	(15,527)	(16,769)	(20,540)	22,183
Total equity	6,819	7,365	(393)	(424)

	For the year ended			
	31 December 2007		31 December 2006	
	(RMB\$'000)	(HK\$'000)	(RMB\$'000)	(HK\$'000)
Turnover	17,061	18,426	1,962	2,119
Net losses before taxation	(12,287)	(13,270)	(846)	(914)
Net losses after taxation	(12,287)	(13,270)	(846)	(914)

INFORMATION ON THE VENDORS

The Vendors and their ultimate beneficial owners are parties acting in concert among themselves. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, (i) the Vendors and their ultimate beneficial owners are not parties acting in concert with the existing Shareholders; and (ii) the Vendors and their ultimate beneficial owners are not parties acting in concert with Parklane International Holdings Limited and its ultimate beneficial owner.

Save as the Acquisition, the Company has no previous transactions with the Vendors and their ultimate beneficial owners which would require to be aggregated with the Acquisition pursuant to Rules 14.22 of the Listing Rules.

RISKS RELATING TO THE MINING INDUSTRY

Risks relating to the industry are set out as below:

1. The estimated geological resources of mineral resources may differ from the actual mine resources in tonnage and quality. Any material discrepancies may adversely affect the profitability of the Group's mining operations.
2. The profitability of the Group's mining operations may be affected by fluctuations in the market price of mineral resources. As the future revenue from these operations will come from the sale of copper, lead, zinc, arsenic, silver and other mineral resources, the earnings from these operations will be closely related to such prices which may be influenced by numerous factors beyond the control of the Group, including the PRC and the worldwide demand, forward selling activities and general economic conditions in the PRC and elsewhere in the world.
3. The mineral resources industry in the PRC is subject to extensive regulation by the PRC government. The operations under the Mine may be materially and adversely affected by any future changes in the government regulations and policies.
4. Mining operations are subject to environmental protection laws and regulations in the PRC. The expenditure for environmental regulatory compliance will increase if the environment protection laws become more stringent.
5. The operations of the Mine are carried out in the PRC. Any adverse changes in economic policy and legal development in the PRC will affect the revenue generated.
6. The Group will face many operational risks, which include risk related to the geological structure of the Mine and geological disasters that occur during the mining process; and catastrophic events such as fires, earthquakes, floods or other natural disasters.
7. This is the Group's first venture into the mineral resources mining and production industries which could present management challenges. The Company and its current management have no experience in the mining industry. However, the Company intends to retain some of the key senior management of the Target Group and to build up a professional management and technical team with expertise in the mining area as soon as possible after the Completion to cope with the possible challenges.

REASONS FOR THE ACQUISITION

The Acquisition would allow the Group to diversify its income and business risks by investing in the mineral resources exploration as the Target Group is principally engaged in mining and processing of mineral resources. In view of the increase in demand for natural resources in the world and the increase in the prices of mineral resources over the past years, the Directors are optimistic about the future prospects and demand for natural resources. The strong and sustainable growth momentum of the PRC economy and the continuous development of the cities, infrastructure and real estate sectors, demand for mineral resources and their related products will continue to grow robustly. The Directors therefore believe that the Acquisition provides an opportunity for the Group to enhance investment returns for the Group.

To strengthen the expertise of the Group's management in the mining business, the Company currently intends to retain some of the key senior management of the Target Group and to build up a professional management and technical team with expertise in the mining area as soon as possible after the Completion to further its development and expansion in the mining industry. No Director has stated his intention to resign as a result of the Acquisition. The Company may seek for a person or persons who has or have mining and/or natural resources related experience to be a Director or Directors. There is no provision under the S&P Agreement and there is no intention of any of the Vendors to nominate any person(s) to be Director(s). The Directors, including the independent non-executive Directors, consider that the terms of the Acquisition (including the Total Consideration and the payment methods thereof and the terms of the Convertible Notes) are fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

The change of board of Directors on 14 December 2007 and 2 January 2008 were not related to the Acquisition.

FINANCING OF THE ACQUISITION

The Company is considering different financial proposal to finance the cash portion of the Total Consideration. No decision has been made and no agreement has been entered into in this regard. The Company will make a further announcement if and when it enters into agreement for the share placement or any other type of equity fund raising exercise. The Company has no intention to undertake any equity fund raising which will lead to a change in control of the Company (for the purposes of the Takeovers Code). The Stock Exchange will revisit the implication of reverse takeover rule if such change in control (as defined under the Listing Rules) occurs as a result of these fund raising activities.

INCREASE IN AUTHORISED SHARE CAPITAL

In facilitating the issue of the Consideration Shares and the Convertible Notes, the Board intends to put forward a proposal to the Shareholders to increase the authorised ordinary share capital of the Company from HK\$200,000,000, divided into 2,000,000,000 Shares of HK\$0.10 each, to HK\$400,000,000, divided into 4,000,000,000 Shares of HK\$0.10 each, by the addition of HK\$200,000,000, divided into 2,000,000,000 new Shares. The new Shares, upon issue, shall rank pari passu in all respects with the existing Shares. Such increase shall be conditional upon the approval of a ordinary resolution by the Shareholders at the SGM. As at the Last Trading Day, 884,737,652 Shares were in issue. The issue of 345,000,000 Consideration Shares and 1,355,000,000 Conversion Shares which may be issued (at the initial conversion price) on conversion in full of the Convertible Notes exceeds the available unissued and authorised ordinary share capital of the Company.

Accordingly, the above proposal to increase the authorised share capital will be proposed at the SGM. The proposed increase in the authorised share capital of the Company is subject to approval of the Shareholders at the SGM. Under Bermuda law, the Company is required to file a memorandum of increase in the authorised share capital together with a certified resolution in respect thereof with the Bermuda Registrar of Companies within 30 days of the effective date of the increase.

The Acquisition is conditional on the increase in share capital being approved by the Shareholders at the SGM and the increase in authorised share capital is not conditional on the approval or completion of the Acquisition.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, the Acquisition is therefore subject to the approval of the Shareholders at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, neither the Vendors nor any of its associates holds any Share as at the date of this announcement and no Shareholder has a material interest in the Acquisition, and therefore no Shareholder is required to abstain from voting on the resolution to approve the Acquisition at the SGM.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the accountants reports pursuant to Rule 14.69(4)(a)(i) of the Listing Rules; (iii) a technical report of the Target Group pursuant to Chapter 18 of the Listing Rules; (iv) the proposed increase in the authorised share capital of the Company; and (v) and the notice of the SGM will be despatched to the Shareholders as soon as practicable.

The Board noted the increase in trading volume and price of the Shares on 29 January 2008 and confirm that save as disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price sensitive nature.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 11.45 a.m. on 29 January 2008 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on Stock Exchange with effect from 9:30 a.m. on 13 February 2008.

Completion of the Acquisition is subject to fulfillment of conditions precedent including the Purchaser being satisfied in its absolute discretion with the results of due diligence review and the obtaining of the approval of the Shareholders, and therefore, the Acquisition may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Acquisition”	the acquisition of the entire issued share capital in Target Company by the Company from the Vendors pursuant to the S&P Agreement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong

“BVI”	British Virgin Islands
“Circular”	the circular of the Company dated 27 September 2007
“Company”	Wah Nam International Holdings Limited (華南投資控股有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the S&P Agreement
“Completion Date”	the date of fulfillment or such other date as the parties may agree in writing, on which Completion shall take place in accordance with the terms thereof
“Completion Long Stop Date”	30 September 2008, or such other date as the parties may agree in writing
“Consideration Shares”	345,000,000 new Shares to be issued and allotted by the Company to the Vendors under the S&P Agreement as part of the Total Consideration
“Convertible Note(s)”	the convertible note(s) in the aggregate principal amount of HK\$ 406,500,000 to be issued by the Company in favour of the Vendors to satisfy part of the Total Consideration pursuant to the S&P Agreement with the benefit of and subject to the note conditions
“Conversion Rights”	the right of Noteholder (and its assignees or transferees pursuant to S&P Agreement) at any time on any Business Day before the Maturity Date, to convert the whole or part of the principal amount of the Convertible Notes into Shares in the issued share capital of the Company
“Conversion Shares”	Shares to be issued upon conversion of the Convertible Notes
“Directors”	the directors of the Company
“Eighth Vendor” or “Gracious Fortune”	Gracious Fortune Investment Limited, a company incorporated in the BVI with limited liability and wholly owned by Independent Third Party. The principal business activity of the Eighth Vendor is investment holding.
“Fifth Vendor” or “Top Respect”	Top Respect Holdings Limited, a company incorporated in the BVI with limited liability and wholly owned by an Independent Third Party. The principal business activity of the Fifth Vendor is investment holding.

“First Vendor” or “Talent Zone”	Talent Zone Investment Limited, a company incorporated in the BVI with limited liability, which is wholly owned by an Independent Third Party. The principal business activity of the First Vendor is investment holding
“Fourth Vendor” or “Wander Profits”	Wander Profits Investment Limited, a company incorporated in the BVI with limited liability, which is wholly owned by an Independent Third Party. The principal business activity of the Fourth Vendor is investment holding
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party (Parties)”	a third party independent of the Company and its connected persons (as defined under the Listing Rules)
“Initial Conversion Price”	the initial conversion price of HK\$0.30 per Conversion Share
“Issue Price”	HK\$0.30 per Consideration Share
“Last Trading Date”	29 January 2008, being the last trading day prior to the entering into of the S&P Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luchun Xingtai”	Luchun Xingtai Mining Co. Ltd. (綠春鑫泰礦業有限公司*)(formerly known as ‘個舊市川田礦產有限責任公司’), a Sino-foreign equity joint venture company established in the PRC
“Maturity Date”	on the date falling 5 years after the date of issue of the Convertible Note
“Mine”	a mine known as 綠春鑫泰礦業有限公司大馬尖山銅礦, having an estimated total land area of approximately 3.6656 square kilometres, as more particularly identified by the location coordinates as set out in the Mining Licence
“Mining Licence”	the mining licence dated 10 September 2007 obtained by Luchun Xingtai in relation to the Mine

“Ninth Vendor” or “Best Captain”	Best Captain International Limited, a company incorporated in the BVI with limited liability, which is wholly owned by an Independent Third Party. The principal business activity of the Ninth Vendor is investment holding
“Note Certificate(s)”	the certificate(s) to be issued in respect of the Convertible Notes
“Noteholder(s)”	the holder of the Convertible Note(s)
“Parklane International Holdings Limited”	Parklane International Holdings Limited, a limited liability company incorporated in the British Virgin Islands, which is wholly-owned by Mr Leung Chi Yan, being the vendor of the assets acquired by the Company as disclosed in the Circular in relation to a very substantial acquisition
“Payment Date”	the tenth Business Day (or such other day as the parties may agree) following (a) the date of the Purchaser having received from the Vendor documentary or other evidence to its reasonable satisfaction that the Pledge has been absolutely discharged and released and (b) the Completion Date, whichever is the later
“Payment Long Stop Date”	a date within three months from the Completion Date, or such other longer period as the parties may agree in writing
“Pledge”	the pledge of the exploitation rights in relation to the Mine, the Mining Licence and assets, things and rights created by two pledge agreements dated 14 December 2007 and 19 December 2007 respectively among Kunming Branch of Shanghai Pudong Development Bank and Luchun Xingtai
“RMB”	Renminbi yuan, the lawful currency of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Golden Genie Limited, a company incorporated in the BVI and a wholly owned subsidiary of the Company
“S&P Agreement”	the sales and purchase agreement dated 30 January 2008 entered into between the Company, the Purchaser and the Vendors
“Second Vendor” or “Sheer Distinction”	Sheer Distinction Investments Limited, a company incorporated in the BVI with limited liability, which is wholly owned by an Independent Third Party. The principal business activity of the Second Vendor is investment holding

“Seventh Vendor” or “Prideful Future”	Prideful Future Investments Limited, a company incorporated in the BVI with limited liability and wholly owned by an Independent Third Party. The principal business activity of the Seventh Vendor is investment holding
“SGM”	a special general meeting of the Company for the Shareholders to consider and, if thought fit, (i) the Sale and Purchase Agreement; (ii) the allotment and issue of the Consideration Shares; (iii) the allotment and issue of Convertible Notes as part of the Total Consideration; and (iv) the proposed increase in authorised share capital
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Sixth Vendor” or “Villas Green”	Villas Green Investments Limited, a company incorporated in the BVI with limited liability and wholly owned by Independent Third Party. The principal business activity of the Sixth Vendor is investment holding.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“Target Company” or “Smart Year”	Smart Year Investment Limited, a company incorporated in BVI with limited liability, which is owned as to 14.80% by Talent Zone, as to 1.00% by Sheer Distinction, as to 19.00% Shimmer Expert , as to 4.00% by Wander Profits, as to 11.50% by Top Respect, as to 11.50% by Villas Green, as to 20.00% by Prideful Future, as to 9.00% by Gracious Fortune and as to 9.20% Best Capital
“Target Group”	Target Company and its subsidiaries
“Third Vendor” or “Shimmer Expert”	Shimmer Expert Investments Limited, a company incorporated in the BVI with limited liability, which is wholly owned by an Independent Third Party. The principal business activity of the Third Vendor is investment holding
“Total Consideration”	the total consideration for the Acquisition, being HK\$650,000,000
“Vendors”	collectively the First Vendor, the Second Vendor, the Third Vendor, the Fourth Vendor, the Fifth Vendor, the Sixth Vendor, the Seventh Vendor, the Eighth Vendor and the Ninth Vendor

“Warranties” the representation, warranties, undertakings or indemnities made or given by the Vendors to the Purchaser

“%” per cent

Translation of RMB into Hong Kong dollars are based on the exchange rates of HK\$1.08 to RMB1.00 for information purpose only. Such translations should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

By Order of the Board
Wah Nam International Holdings Limited
Chan Kam Kwan, Jason
Director

12 February 2008, Hong Kong

As at the date of this announcement, the Board of the Company comprises Mr. Cheng Yung Pun and Mr. Chan Kam Kwan, Jason as executive Directors and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Wilton Timothy Carr Ingram as independent non-executive Director.