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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 FOR NEW SHARES
(2) RESUMPTION OF TRADING**

Placing Agents



**Cantor Fitzgerald (Hong Kong)
Capital Markets Limited**



**Mansion House Securities
(F.E.) Limited**

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

On 17 September 2010, Gracious Fortune, Parklane International, the Company and the Placing Agents entered into the Placing Agreements pursuant to which the Placing Agents agree to place on a best efforts basis the Placing Shares of up to 178,000,000 existing Shares at the Placing Price of HK\$1.15 per Placing Share on behalf of Gracious Fortune and Parklane International. On the same day, Gracious Fortune, Parklane International and the Company entered into the Subscription Agreement pursuant to which Gracious Fortune and Parklane International agree to subscribe for up to 178,000,000 new Shares in aggregate at the Subscription Price.

* *For identification purposes 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); and (b) the Placing Completion.

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 4.77% of the existing issued share capital of the Company and the Subscription Shares represent approximately 4.56% 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 commission and brokerage and other related expenses of the Placing, will be up to approximately HK\$200 million. The Directors intend to use not less than HK\$180 million of the net proceeds (or the entire net proceeds if such net proceeds are less than HK\$180 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 related transactions costs. Any remaining net proceeds of not more than HK\$20 million will be used as general working capital for the Group.

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 17 September 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 20 September 2010.

THE PLACING

The Placing Agreements

Date: 17 September 2010

Parties:

(1) Vendors:	(i)	Gracious Fortune in respect of up to 157,000,000 Shares; and
	(ii)	Parklane International in respect of up to 21,000,000 Shares
(2) Issuer:		the Company
(3) Placing Agents:	(i)	Cantor Fitzgerald (Hong Kong) Capital Markets Limited; and
	(ii)	Mansion House Securities (F.E.) Limited

Vendors

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 4.21% and approximately 3.77% 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 Mansion House Securities (F.E.) 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 2.0% of the gross proceeds from the Placing.

Placees

The Placing Shares will be placed on a best efforts basis to more than six Placees which will be independent individuals, 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 178,000,000 Shares represent approximately 4.77% 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.

Gracious Fortune and Parklane International shall have absolute rights to limit the number of Placing Shares to be placed by each of the Placing Agents.

Placing Price

The Placing Price of HK\$1.15 represents (i) a discount of approximately 19.58% to the closing price of HK\$1.430 per Share as quoted on the Stock Exchange on 16 September 2010, being the last trading day prior to the suspension of trading of the Shares on the date of the Placing Agreements and (ii) a discount of approximately 19.47% to the average of the closing prices per Share of approximately HK\$1.428 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 16 September 2010.

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 Placing Agreements.

Placing Completion

The Placing is unconditional. Placing Completion shall take place on or before 27 September 2010 or such other date as Gracious Fortune, Parklane International and the Placing Agents shall agree.

THE SUBSCRIPTION

The Subscription Agreement

The Subscription Agreement was entered into on 17 September 2010.

- Parties:**
- (1) Subscribers:
 - (i) Gracious Fortune in respect of up to 157,000,000 Shares; and
 - (ii) Parklane International in respect of up to 21,000,000 Shares
 - (2) Issuer: the Company

Subscribers

Subject to the terms and conditions of the Subscription Agreement, Gracious Fortune and Parklane International will subscribe for the number of Placing Shares sold by them under the Placing Agreements of up to 157,000,000 Shares and up to 21,000,000 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 4.21% and approximately 3.77% respectively of the entire issued share capital of the Company.

Immediately after completion of the Placing, assuming that the entire amount of the Placing Shares has been placed, Gracious Fortune will not hold any Shares and the shareholding of Parklane International will be reduced to approximately 3.21% of the existing issued share capital of the Company. The Subscription will then increase the shareholding of Gracious Fortune and Parklane International to approximately 4.02% and 3.60% 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 up to 21,000,000 Shares (in relation to Parklane International). The maximum number of Subscription Shares represents approximately 4.56% 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\$1.15 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\$1.12 per Subscription 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); and
- (b) the Placing Completion in accordance with the terms of the respective Placing Agreements.

In the event of the conditions above not having been fulfilled by 14 days after the date of the Subscription Agreement (or such later date as may be agreed by the parties to the Subscription Agreement), all rights, obligations and liabilities of the parties under the Subscription Agreement 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 or such other date as agreed by the parties to the Subscription Agreement. It is expected that completion of the Subscription will take place within 14 days after the date of the Subscription Agreement.

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, pursuant to the General Mandate, 185,000,000 Shares have been issued and a further maximum of 523,887,097 Shares may fall to be allotted and issued. 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\$204.7 million. The net proceeds from the Subscription, after the deduction of the commission and brokerage and other related expenses of the Placing will be up to approximately HK\$200 million. The net proceeds of not less than HK\$180 million (or the entire net proceeds if such net proceeds are less than HK\$180 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 and related transaction costs. Any remaining net proceeds of not more than HK\$20 million will be used as general working capital for the Group. The Directors consider that the terms of the Placing Agreements and the Subscription 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
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\$289 million has been used to invest in mineral-related companies and approximately HK\$8 million has been used for general working capital.
19 June 2010	Placing of existing Shares and subscription of new Shares	Approximately HK\$199 million	Not more than HK\$29 million for general working capital and not less than HK\$170 million for potential acquisitions or investment in mineral-related businesses.	Approximately HK\$156 million has been used to invest in mineral-related companies and approximately HK\$11 million has been used for general working capital. The Company intends to use the remaining proceeds to invest in mineral-related businesses.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

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

Shareholders	As 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	11.95	445,500,000	11.95	445,500,000
Shimmer Expert Investments Limited (Note 2)	279,548,000	7.50	279,548,000	7.50	279,548,000	7.15
Parklane International (Note 3)	140,592,592	3.77	119,592,592	3.21	140,592,592	3.60
Mr. Luk and his associates (Note 4)	199,456,276	5.35	199,456,276	5.35	199,456,276	5.10
Public Shareholders						
Gracious Fortune	157,000,000	4.21	—	—	157,000,000	4.02
Villas Green Investments Limited	257,760,000	6.91	257,760,000	6.91	257,760,000	6.60
Smartpath Investments Limited	204,752,000	5.49	204,752,000	5.49	204,752,000	5.24
The Placees (Note 5)	—	—	178,000,000	4.77	178,000,000	4.56
Other public Shareholders	2,044,826,617	54.82	2,044,826,617	54.82	2,044,826,617	52.33
Total	<u>3,729,435,485</u>	<u>100.00</u>	<u>3,729,435,485</u>	<u>100.00</u>	<u>3,907,435,485</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 individuals, 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.

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 17 September 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 20 September 2010.

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
“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 185,000,000 new Shares have been issued and a further maximum of 523,887,097 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 4.21% 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 3.77% 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 Placing Agreements
“Placing”	the placing on a best efforts basis of up to 157,000,000 Shares owned by Gracious Fortune and up to 21,000,000 Shares owned by Parklane International pursuant to the terms of the Placing Agreements
“Placing Agents”	(i) Cantor Fitzgerald (Hong Kong) Capital Markets Limited, 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), type 4 regulated activity (advising on securities) and type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and (ii) Mansion House Securities (F.E.) Limited, a licensed corporation to carry out type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance), type 7 regulated activity (providing automated trading services) and type 9 regulated activity (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreements”	the respective placing agreements both of 17 September 2010 entered into (i) between Gracious Fortune, Parklane International, the Company and Cantor Fitzgerald (Hong Kong) Capital Markets Limited and (ii) between Gracious Fortune, Parklane International, the Company and Mansion House Securities (F.E.) Limited in relation to the Placing
“Placing Completion”	completion of the placing of the Placing Shares in accordance with the terms as set out in the Placing Agreements
“Placing Price”	HK\$1.15 per Placing Share
“Placing Share(s)”	up to 178,000,000 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 up to 157,000,000 Shares by Gracious Fortune and up to 21,000,000 Shares by Parklane International pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between Gracious Fortune, Parklane International and the Company on 17 September 2010 in relation to the subscription for up to 157,000,000 Shares by Gracious Fortune and the subscription for up to 21,000,000 Shares by Parklane International
“Subscription Shares”	up to 178,000,000 Shares for which Gracious Fortune and Parklane International have 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
Luk Kin Peter Joseph
Chairman

Hong Kong, 17 September 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.