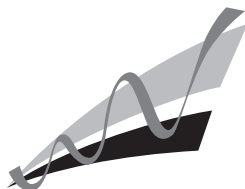


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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.*



## **WAH NAM INTERNATIONAL HOLDINGS LIMITED**

**華南投資控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 159)**

### **PLACING OF NEW SHARES AND RESUMPTION OF TRADING**

On 1 September 2008 (before the trading hours at 9:30 a.m.), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to place a maximum of 240,000,000 Placing Shares on a best endeavour basis, at the Placing Price of HK\$0.50 per Placing Share.

The Placing Shares represent approximately 27.13% of the existing issued share capital of the Company and approximately 21.34% of the issued share capital of the Company as enlarged by the Placing.

It is expected that the maximum net proceeds after deduction of related expenses from the Placing shall be approximately HK\$118,500,000 which will be used for financing part of the cash consideration in relation to the Acquisition, payment of the mining resources usage fees of Luchun Xingtai and the working capital and capital expenditure of Luchun Xingtai upon the completion of the Acquisition.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:33 a.m. on 1 September 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 the Stock Exchange with effect from 9:30 a.m. on 3 September 2008.

\* *For identification purpose only*

## **INTRODUCTION**

Reference is made to the Circular of the Company dated 30 June 2008 in relation to, among others, the Acquisition and the Specific Mandate. Capitalised terms used herein shall have the same meaning as defined in the Circular unless the context requires otherwise.

The Directors are pleased to announce that on 1 September 2008 (before the trading hours at 9:30 a.m.), the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing.

## **THE PLACING AGREEMENT**

### **Date**

1 September 2008

### **Parties**

- (a) the Company; and
- (b) the Placing Agent

### **Placing Agent**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **Placees**

The Placing Shares will be placed to not less than six Placees (being independent professional, institutional and other investors), who and whose ultimate beneficial owners are third parties independent of the Vendors, the Company and its connected persons (as defined under the Listing Rules).

### **Placing Shares**

Up to 240,000,000 Placing Shares (with aggregate nominal value of HK\$24,000,000) representing (i) approximately 27.13% of the existing issued share capital of the Company; and (ii) approximately 21.34% of the Company's issued share capital as enlarged by the Placing.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.50 per Placing Share represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 16.39% to the average closing price of about HK\$0.598 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the parties with reference to the recent trading prices of the Shares.

## **Ranking of the Placing Shares**

The Placing Shares, upon allotted and issued, will rank *pari passu* in all respects with all Shares in issue at the date of completion of the Placing.

## **Specific Mandate**

It is proposed that the Placing Shares will be issued under the Specific Mandate granted to the Directors at the SGM. Pursuant to the Specific Mandate, the Company is authorised to allot and issue up to 300,000,000 new Shares. Immediately upon completion of the Placing, a maximum of 240,000,000 Shares will be issued under the Specific Mandate. The Company, depending on market condition, will consider to utilise in full the Specific Mandate and allot and issue further 60,000,000 Shares before the lapse of the Specific Mandate on 18 October 2008. However, as at the date of this announcement no negotiation has started in relation to such further allotment and issue of securities.

The Specific Mandate was granted on the basis that, among others, the Proposed Share Issue must raise a minimum net proceeds of HK\$100,000,000. Accordingly, if the Placing Agent places a lesser amount of Placing Shares so that the net proceeds from the Placing are less than HK\$100,000,000, the Placing Shares cannot be issued under the Specific Mandate and the Directors will be required to issue up to 176,947,530 Placing Shares under the General Mandate.

## **Completion**

Completion of the Placing shall take place on the third Business Day after the day on which the Company informs the Placing Agent that all the conditions precedent set out in the paragraph headed "Conditions precedent" below are fulfilled or such later date as the Company and the Placing Agent shall agree.

## **Conditions precedent**

Completion of the Placing shall be conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (a) if necessary, the relevant mandate having been granted by the Shareholders at a special general meeting to be convened to the Directors for the allotment and issue of the Placing Shares pursuant to the Placing Agreement;
- (b) the approval of a listing of, and permission to deal in, the Placing Shares on the Stock Exchange granted by the Listing Committee of the Stock Exchange having been obtained; and
- (c) all requisite consents or confirmations of no objection by (if necessary) or filings with, any governmental or competent authorities or any third parties (including lending financial institution) in connection with the transactions contemplated hereunder having been obtained in writing.

As at the date of this announcement, none of the above conditions precedent has been fulfilled.

If the Company is not able to obtain the relevant mandate to allot and issue the Placing Shares in order to fulfil condition precedent (a) above on or before the Long Stop Date, the Placing will not proceed.

## **Termination and force majeure**

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion of the Placing:

- (a) there develops, occurs or comes into effect:
  - (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement), including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions;
  - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;
  - (iii) any change in conditions of local, national or international currency or securities markets and for this purpose but without limiting the generality of the foregoing, a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America shall be a change in currency markets;

- (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Company; or
- (v) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong,

and which, in the opinion of the Placing Agent, is or is likely to materially and adversely affect the business, financial or trading position of the Group as a whole;

- (b) it comes to the notice of the Placing Agent that any of the representations, warranties or undertakings of the Company contained in the Placing Agreement is untrue or inaccurate, breached or not complied with in any material respect; or
- (c) it comes to the notice of the Placing Agent that there has been any material adverse change in the business or financial or trading position of the Company;
- (d) any suspension of dealings in the Shares for more than seven consecutive trading days (other than as a result of announcing the Placing);
- (e) any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange;
- (f) the commencement by any regulatory or political body or organisation of any action against any director of the Company or an announcement by any regulatory or political body or organisation that it intends to take any such action; or
- (g) any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholders' equity or in the financial or trading position of the Group as a whole which in the opinion of the Placing Agent is so material and adverse as to make it impractical or inadvisable to proceed with the Placing.

The Placing Agent also has the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company on completion of the Placing in accordance with the terms of the Placing Agreement.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Directors consider that the Placing represents an opportunity to raise capital for the Company to finance part of the cash consideration of the Acquisition (the Acquisition is not yet completed as at the date of this announcement). The Directors (including the independent non-executive Directors) therefore consider that the Placing is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors are of the view that assuming that the net proceeds from the Placing are not less than HK\$100,000,000, the terms of the Placing Agreement are consistent with the structure of the Proposed Share Issue as mentioned in the Circular.

Based on the maximum number of 240,000,000 Placing Shares to be allotted and issued under the Placing, the gross proceeds from the Placing will be HK\$120,000,000, and the net proceeds from the Placing will be approximately HK\$118,500,000. The net price of each Placing Share will be HK\$0.494. The Company intends to use the proceeds according to the use of proceeds as mentioned in the Circular as follows:

- (i) as to about HK\$59.8 million for part payment of the cash consideration of the Acquisition;
- (ii) as to about HK\$21.0 million for the capital expenditure of Luchun Xingtai;
- (iii) as to about HK\$14.0 million for the payment of the mining resources usage fees of Luchun Xingtai; and
- (iv) as to about HK\$23.7 million as general working capital of Luchun Xingtai.

### EFFECT ON SHAREHOLDING STRUCTURE

The following table summarises the shareholding structure of the Company as at the date of this announcement, immediately after the completion of the Placing immediately after the completion of the Placing and the issue of Consideration Shares and immediately after the completion of the Placing and the issue of Consideration Shares and Conversion Shares pursuant to the terms of the Convertible Notes:

	As at the date of this announcement		Immediately after the completion of the Placing		Immediately after the completion of the Placing and the issue of Consideration Shares		Immediately after the completion of the Placing and the issue of Consideration Shares and Conversion Shares pursuant to the terms of the Convertible Notes	
	Shares	%	Shares	%	Shares	%	Shares	%
Cheng Yung Pun ( <i>Note 1</i> )	445,500,000	50.35	445,500,000	39.61	445,500,000	30.93	445,500,000	27.73
The Vendors ( <i>Note 2</i> )	—	—	—	—	315,666,000	21.91	482,030,000	29.99
Placees ( <i>Note 3</i> )	—	—	240,000,000	21.34	240,000,000	16.67	240,000,000	14.94
Other public Shareholders	439,237,652	49.65	439,237,652	39.05	439,237,652	30.49	439,237,652	27.34
Sub total for all public Shareholders	439,237,652	49.65	679,237,652	60.39	679,237,652	47.16	679,237,652	42.28
Total	884,737,652	100.00	1,124,737,652	100.00	1,440,403,652	100.00	1,606,767,652	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, the chairman, executive Director and controlling Shareholder of the Company.

*Note 2:* 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; 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). Therefore, the Vendors will hold less than 30% equity interests in the Company immediately after the completion of the Placing and the issue of Consideration Shares and Conversion Shares pursuant to the terms of the Convertible Notes.

*Note 3:* The Placees are independent professional, institutional and other investors, who and whose ultimate beneficial owners are third parties independent of the Vendors, the Company and its connected persons (as defined under the Listing Rules). The Directors expect that none of the Placees will become a substantial shareholder of the Company upon completion of the Placing.

## **FUND RAISING ACTIVITIES OF THE COMPANY**

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
16 October 2007	Top Up Placing	HK\$37 million	Payment of part of the consideration for the acquisition of Perryville Group Limited and general working capital	HK\$20 million for payment of part of the consideration for the acquisition of Perryville Group Limited and HK\$17 million for general work capital

## **GENERAL**

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.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:33 a.m. on 1 September 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 the Stock Exchange with effect from 9:30 a.m. on 3 September 2008.

## DEFINITIONS

“Acquisition”	the acquisition of the entire share capital in Smart Year by Golden Genie Limited, a wholly-owned subsidiary of the Company pursuant to the S&P Agreement
“associate”	has the meaning as defined in the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (excluding Saturdays) on which commercial banks generally are open for usual banking business in Hong Kong
“BVI”	British Virgin Islands
“Circular”	the circular of the Company dated 30 June 2008 in relation to, among others, the Acquisition and the Specific Mandate
“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
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 18 July 2008 to allot, issue and deal with Shares of up to 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution granting such mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	29 August 2008, being the last trading day of the Shares immediately before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2008 or such later date as the Company and the Placing Agent may agree in writing



“Placees”	not less than six professional, institutional and other investors selected or procured by or on behalf of the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 1 September 2008 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.50 per Placing Share
“Placing Shares”	a maximum of 240,000,000 Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“S&P Agreement”	the sale and purchase dated 30 January 2008 as amended and supplemented by a supplemental deed dated 27 June 2008 entered into between the Company, Golden Genie Limited, a wholly owned subsidiary of the Company, and the Vendors in relation to the Acquisition
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“SGM”	the special general meeting of the Company held on 18 July 2008
“Smart Year”	Smart Year Investment Limited, a company incorporated in BVI with limited liability
“Specific Mandate”	a specific mandate granted by the Shareholders at the SGM to authorise the Board to allot and issue not more than 300,000,000 new Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	vendors of the Acquisition, details of which have been disclosed in the Circular

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent

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

2 September 2008, Hong Kong

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