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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)

**OVERSEAS REGULATORY ANNOUNCEMENT
SECURITIES TRADING POLICY**

The following is the text of the securities trading policy of Wah Nam International Holdings Limited (the “Company”) released by the Company on ASX Limited today.

By order of the board of directors of
Wah Nam International Holdings Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 11 January 2011

As at the date of this announcement, the board of directors of the Company 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.

* *For identification purpose only*

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華南投資控股有限公司
WAH NAM INTERNATIONAL HOLDINGS LIMITED
(於百慕達註冊成立之有限公司)
Incorporated in Bermuda with Limited Liability

香港聯合交易所上市公司股票號碼: 0159
SEHK Stock Code: 0159

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

11 January 2011

1 of 7 pages

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000
By Fax: +61 1300 135 638

Dear Sir/Madam,

RE: SECURITIES TRADING POLICY

The Directors of Wah Nam International Holdings Limited enclose the "Securities Trading Policy" for your attention.

Should you have any questions, please do not hesitate to contact us (852) 3169 3631.

Yours faithfully,



Chan Kam Kwan, Jason
Executive Director

Wah Nam International Holdings Limited

(the "Company")

SECURITIES TRADING POLICY

1. Scope of this Policy

This Policy applies to all executives (comprising Directors and senior management), employees, contractors, consultants and advisors (together "Designated Persons") of the Company and its subsidiaries.

1.1 Company Securities

In this Policy, "Company Securities" includes:

- (a) shares in the Company;
- (b) other securities issued by the Company such as debentures and options; and
- (c) derivatives and other financial products issued by third parties in relation to the Company's shares, debentures and options.

1.2 Dealing

To "deal" in the Company's Securities includes:

- (a) subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
- (b) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
- (c) entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

1.3 Inside Information

A person is in possession of "Inside Information" in relation to the Company in circumstances where:

- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities; and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in Company Securities in any way. It does not matter how the Designated Person has come to have the Inside Information.

Examples of information which may be considered to be Inside Information include the details relating to the items listed below (this is not an exhaustive list):

- (c) drilling results, exploration results, production figures and the like;
- (d) prospective financial information;
- (e) proposed transactions;
- (f) unpublished announcements;
- (g) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (h) impending mergers, acquisitions, reconstructions, takeovers, etc;
- (i) significant litigation and disputes;
- (j) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (k) cashflow information;
- (l) major or material purchases or sales of assets; and
- (m) proposed or new significant contracts.

2. Purpose of this Policy

This Policy sets out the circumstances in which Designated Persons may deal in Company Securities with the objective that no Designated Person will contravene the requirements of the HKEx Listing Rules and/or the ASX Listing Rules.

The purpose of this Policy is to:

- (a) ensure that Designated Persons adhere to high ethical and legal standards in relation to their personal investment in Company Securities;
- (b) ensure that the personal investments of Designated Persons do not conflict with the interests of the Company and those of other holders of Company Securities;
- (c) preserve market confidence in the integrity of dealings in Company Securities; and
- (d) ensure the reputation of the Company is maintained.

This Policy is not designed to prohibit Designated Persons from investing in Company Securities but does recognise that there may be times when Designated Persons cannot or should not invest in Company Securities. This Policy provides guidance to Designated Persons as to the times when Designated Persons may deal in Company Securities.

This Policy is made in compliance with Appendix 10 of the HKEx Listing Rules and the Australian Corporate Governance Principles and Recommendations as established by the ASX Corporate Governance Council.

3. Company's policy on dealing of Company Securities

3.1 General principles

Designated Persons should note the following general principles regarding their personal trading of Company Securities:

- (a) avoid, and be seen to avoid, actual or potential conflict between their personal interest and their duty to the Company and its shareholders;
- (b) not to derive personal advantage from information which is not generally available and which has been obtained by reason of, or in the course of, their directorship or employment;
- (c) seek prior approval to trade from a designated officer to ensure the Company's and shareholders' interests are not compromised;
- (d) ensure any personal trading is on a scale that reflects their individual financial ability to fund and maintain an appropriately sized portfolio;
- (e) ensure any personal trading does not adversely impact on their ability to perform normal duties;
- (f) not utilise broker credit - relevant exchange settlement terms must apply on all occasions and all transactions must be settled according to industry standards. Such prohibition does not extend to normal documented margin lending or loan facilities offered to the general public by brokers, banks or other lending institutions; and
- (g) Directors and employees who have access to price sensitive information or Inside Information should not conduct personal trading in Company Securities.

3.2 No short term trading

Notwithstanding the following, Designated Persons should not engage in short term trading of Company Securities. In general, the purchase of Company Securities with a view to resale within a 12 month period and the sale of Company Securities with a view to repurchase within a 12 month period would be considered to be transactions of a "short term" nature. However, the sale of shares immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short term trading.

3.3 Trading windows

Subject to the below, the recommended time (in terms of avoiding suggestions of insider trading) for any Director or employee to deal in Company Securities is during the 4 week period immediately after the:

- (a) date of the Company's AGM;
- (b) release by the Company of its quarterly activities report;
- (c) release by the Company of its half-yearly results announcement to ASX;
- (d) release by the Company of its yearly results announcement to ASX; or
- (e) release of a disclosure document offering equity securities in the Company,

PROVIDED that the person is **NOT** in possession of any Inside Information relating to those securities.

3.4 Trading embargo

A "closed season" operates in respect of which Designated Persons must refrain from dealing in Company Securities during the 1 month period prior to release of the interim, and during the 2 month period prior to release of the full year, results announcements. All holders of executive options are automatically regarded as being subject to this "closed season" restriction.

3.5 Persons in possession of Inside Information

If a Designated Person possesses Inside Information in relation to the Company, the person must not:

- (a) deal in Company Securities in any way; or
- (b) directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company Securities in any way or procure a third person to deal in Company Securities in any way.

Designated Persons may obtain Inside Information in relation to another company. For example in the course of negotiating a transaction with the Company, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Company Securities. Designated Persons in possession of the Inside Information in respect of other companies must not deal in securities of those other companies.

3.6 Executive Directors and senior management

Subject to the provisions of the Companies Act 1981 of Bermuda ("Companies Act"), the ASX Listing Rules and the HKEx Listing Rules, this Policy and the provisions of any applicable Employee Share Option Plans, executive Directors and senior management must not deal in Company Securities without prior written notification to the Chief Executive Officer and the Company Secretary before commencing the transaction, and must subsequently notify the Company Secretary within 2 business days of any trade that has occurred.

Notification of any trade after it has occurred must include the following information:

- (a) the name of the Director or senior manager;
- (b) the name of any person who dealt on the behalf of the Director or senior manager;
- (c) details of the Director or senior management interest in Company Securities the subject of the dealing;
- (d) the date of dealing;
- (e) the number of Company Securities subscribed for, brought or sold;
- (f) the amount paid or received for those securities; and
- (g) the number of Company Securities held by the Director or senior manager (directly or indirectly) before or after the dealing.

All Directors must notify the Company Secretary with sufficient details of any dealing to enable the Company Secretary to make the necessary notifications to the ASX and the HKEx as required by the ASX Listing Rules and the HKEx Listing Rules within 5 business days of the dealing.

Prudence will dictate that dealings should generally be limited to the recommended times referred to in Section 3.3 above and that the Chief Executive Officer and Chairman will generally refuse consent to deal in Company Securities outside the trading windows unless special circumstances exist (such as financial hardship). In any event, Directors and senior management must not deal in the Company Securities at any time if the director or senior management is in possession of any Inside Information relating to those securities.

3.7 Employees (other than senior management or Directors), consultants, advisors and contractors (together "Employees")

Subject to the provisions of the Companies Act, the ASX Listing Rules, the HKEx Listing Rules, this Policy and the provisions of any applicable share option plans, employees may deal in Company Securities at any time provided that they do not have Inside Information and are not involved in short term or speculative dealing.

Employees are:

- (a) recommended to consider this Policy prior to any dealing; and
- (b) not required to notify the Company if they intend to deal in Company Securities or after they have dealt in Company Securities.

3.8 Exceptions to the restrictions

Subject to the insider trading provisions of the Companies Act, the ASX Listing Rules and the HKEx Listing Rules, Directors and employees of the Company may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquire Company Securities under a rights issue, bonus issue, capitalisation issue or other offer made by the Company to all holders of securities of the same class;
- (c) accept, or undertake to accept, a general offer for shares in the Company made to all shareholders other than those held by the offeror and its associates or concert parties;
- (d) deal where the beneficial interests in the relevant security of the Company does not change;
- (e) deal where the beneficial ownership is transferred from another party by operation of law;
- (f) deal where a shareholder places out its existing shares in a "top-up" placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out;
- (g) acquire Company Securities under a dividend reinvestment or top-up plan that is available to all holders of securities of the same class;
- (h) acquire, or agree to acquire, options under a Company share option plan; and
- (i) exercise options acquired under a Company share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with these procedures).

4. Consequences of breach

Strict compliance with this Policy is mandatory for all persons covered under this Policy. Breaches of this Policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

5. Questions / further information

If you have any questions or need further information on how to comply with this Policy, please contact the Company Secretary.