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If you have sold or transferred all your shares in Wah Nam International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(SEHK Stock Code: 159)

(ASX Stock Code: WNI)

**PROPOSAL FOR GRANT OF SHARE OPTIONS TO DIRECTORS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the Special General Meeting to be held at Room 1003, 10/F Knutsford Commercial Building, 4-5 Knutsford Terrace, Tsim Sha Tsui, Kowloon on Tuesday, 27 March 2012 at 11:00 a.m. is set out on pages 9 to 12 of this circular. A form of proxy for use by the Shareholders at the Special General Meeting is enclosed. Whether or not you intend to attend the Special General Meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Special General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjourned meeting thereof should you so wish.

5 March 2012

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules and the ASX Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

DEFINITIONS

In this circular and notice of special general meeting, the following expressions shall have the following meanings unless the context indicates other wise:

“associate”	has the same meaning ascribed to it under the ASX Listing Rules (except that in the Explanatory Memorandum and the Notice, “associate” has the meaning given to it in section 9 of the Corporations Act, other than a reference to “associate” in relation to an ASX Listing Rule, in which case “associate” has the meaning given to it in ASX Listing Rule 14.11)
“ASX”	ASX Limited ACN 008 624 691, or the financial products market, the Australian Securities Exchange, as the situation requires
“ASX Listing Rules”	the official listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended from time to time, except to the extent of any express written waiver by the ASX
“Board”	the board of Directors from time to time
“Business day”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Bye-laws”	the bye-laws of the Company
“Company”	Wah Nam International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange and the ASX, with an Australian Registered Body Number 143 211 867
“Corporation Act”	the Australian Corporations Act 2001 (Commonwealth)
“Directors”	the directors of the Company from time to time, and “Director” means any one of them

DEFINITIONS

“Explanatory Memorandum”	the section titled “Explanatory Memorandum” prepared in accordance with the ASX Listing Rules on pages 13 to 20 of this circular
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 February 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meeting” or “Special General Meeting”	the special general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice
“Notice” or “Notice of Special General Meeting”	the notice of special general meeting which accompanies this circular
“Option”	an option to acquire a Share, offered or granted in accordance with the Share Option Scheme
“Optionholder”	a holder of Options
“Proxy Form”	the proxy form attached to this circular
“Recipient Director”	the Directors proposed as recipients of the Options, the subject of Resolutions 1 to 6 (inclusive), as set out in the Notice and Explanatory Memorandum.
“Resolution” or “Resolutions”	the resolution(s) in the Notice

DEFINITIONS

“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to the written resolution of the sole shareholder passed on 14 August 2002 as amended from time to time
“Special General Meeting”	the special general meeting of the Company to be held at Room 1003, 10/F Knutsford Commercial Building, 4-5 Knutsford Terrace, Tsim Sha Tsui, Kowloon on Tuesday, 27 March 2012 at 11:00 a.m. or any adjournment thereof (or as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.



WAH NAM INTERNATIONAL HOLDINGS LIMITED

華南投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(SEHK Stock Code: 159)

(ASX Stock Code: WNI)

Executive Directors:

Mr. Luk Kin Peter Joseph (*Chairman*)

Mr. Chan Kam Kwan Jason

Mr. Chu Chung Yue Howard

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Lau Kwok Kuen Eddie

Mr. Uwe Henke Von Parpart

Mr. Yip Kwok Cheung Danny

Head office and principal place of

business in Hong Kong:

Room 1003, Knutsford Commercial Building

4-5 Knutsford Terrace

Tsim Sha Tsui

5 March 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR GRANT OF SHARE OPTIONS TO DIRECTORS
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The Board proposes to seek the approval of the Shareholders for the grant of Options to Directors of the Company under the Share Option Scheme as set out in the Notice of Special General Meeting. Reference is made to the announcement dated 14 December 2011, inter alia, in relation to the proposed grant of Options to the Directors.

* for identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the abovementioned proposal and to enable the Shareholders to make an informed decision on whether to vote for or against the proposed Resolutions at the Special General Meeting.

ASX LISTING RULES IMPLICATIONS

Although the proposed grant of Options to Directors does not require approval from Shareholders under the Hong Kong Listing Rules, it is subject to Shareholder approval under the ASX Listing Rules.

The requirements for Shareholder approval under the ASX Listing Rules and information required to be provided to Shareholders is set out in the Explanatory Memorandum. The Notice, together with the Explanatory Memorandum, includes the information requested by the ASX Listing Rules.

PROPOSAL FOR GRANT OF OPTIONS TO DIRECTORS

A summary of the terms and conditions of the proposed grant of Options is set out below:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) Recipients: total of 78,000,000 Options are proposed to be granted to the following Directors of the Company (each a “Recipient Director”) as follows:

Name of Director	Number
Luk Kin Peter Joseph	50,000,000
Chan Kam Kwan Jason	5,000,000
Chu Chung Yue Howard	20,000,000
Lau Kwok Kuen Eddie	1,000,000
Uwe Henke Von Parpart	1,000,000
Yip Kwok Cheung Danny	1,000,000

- (c) Total number of Shares which may be issued upon full exercise of the Options and the approximate percentage in the issued share capital of the company: 78,000,000 Shares representing 1.32% of the issued share capital of the Company and 1.30% of the issued share capital as enlarged by such exercise as at the Latest Practicable Date.
- (d) Date that grant of the Options was proposed: 14 December 2011.

LETTER FROM THE BOARD

- (e) Amount payable on the acceptance of the Options by each Recipient Director: HK\$1.00 in total per Recipient Director.
- (f) Expiry date: The Options will expire on 13 December 2015 (**Expiry Date**).
- (g) Validity period of the Options: within the prescribed period between 14 December 2011 and 13 December 2015.
- (h) Any Option not exercised on or before the Expiry Date will automatically lapse. The Options granted to a Recipient Director will also automatically lapse upon certain events occurring, including if that Recipient Director ceases to be an “Eligible Participant” under the Share Option Scheme (in that case, the time of the lapsing of the Options would depend on the circumstances and timing of the Recipient Director ceasing to be an “Eligible Participant”).
- (i) Exercise price: The amount payable upon exercise of each Option will be HK\$0.72 (**Exercise Price**).

The Exercise Price of HK\$0.72 per Share represents the highest of:

- (i) the closing price of HK\$0.72 per Share as stated in the daily quotation sheets issued by the Stock Exchange on 14 December 2011, being the date that the grant of the Options to the Recipient Directors was proposed;
 - (ii) the average closing price of HK\$0.644 per Share for the 5 Business days immediately preceding the date that the grant of the Options to the Recipient Directors was proposed; and
 - (iii) the nominal value of the Shares.
- (j) Exercising Options: Subject to the Share Option Scheme, the options held by each Optionholder may be exercised in whole or in part.
 - (k) Method of Exercise: An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a notice in writing stating that the Option is thereby exercised, and the number of Shares in respect of which it is exercised; and
 - (ii) a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given (**Exercise Notice**)

LETTER FROM THE BOARD

Within 21 days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares in respect of the number of Options specified in the Exercise Notice, and will issue the Optionholder with certificates in respect of the Shares allotted.

- (l) Voting, dividend, transfer and other rights: Subject to the Share Option Scheme, the Shares allotted upon the exercise of the Option will rank *pari passu* in all respects with the Shares in issue on the date of such exercise and will be subject to all the provisions of the Bye-laws of the Company for the time being in force.

The Options are not assignable or otherwise transferable.

The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Optionholder as the holder.

- (m) Quotation: The Company will not apply for quotation of the Options on the Stock Exchange or the ASX. However, the Company has obtained approval from the Stock Exchange for the listing of all Shares allotted pursuant to the exercise of the Options. The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on the ASX within 10 Business Days after the date of allotment of those Shares.
- (n) Reorganisation of capital: In the event of any capitalisation issue, rights issue, sub-division, consolidation of Shares or reduction of capital of the Company, corresponding alterations will be made to the number of Shares subject to any unexercised Options and/or the Exercise Price, as certified in writing by the Company's auditors or approved independent financial adviser to be, in their opinion, fair and reasonable. However, any alterations will be made on the basis that:
- (i) an Optionholder will have the same proportion of the equity capital of the Company as that to which he was entitled to subscribe had he exercised all the Options held by him immediately before such adjustments;
 - (ii) the aggregate Exercise Price payable by an Optionholder on the full exercise of any Option will remain as nearly as possible the same as (but will not be greater than) it was before such event; and
 - (iii) no such alternations will be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

A notice convening the Special General Meeting to be held at Room 1003, 10/F Knutsford Commercial Building, 4-5 Knutsford Terrace, Tsim Sha Tsui, Kowloon on Tuesday, 27 March 2012 at 11:00 a.m. is set out on pages 9 to 12 of this circular.

A form of proxy for use by the Shareholders at the Special General Meeting is enclosed. Whether or not you intend to attend the Special General Meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Special General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjourned meeting thereof should you so wish.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of the Shareholders at the Special General Meeting must be taken by poll. An announcement on the poll results will be published by the Company on the date of the Special General Meeting in the manner as prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

RECOMMENDATION REGARDING ISSUE OF OPTIONS TO DIRECTORS

For full details of the Board's recommendation regarding the issue of Options to Directors, please refer to section 2.7 of the Explanatory Memorandum on page 13 of this circular.

SHARES TO BE ABSTAINED FROM VOTING

As at the Latest Practicable Date, Mr. Luk Kin Peter Joseph has the following interest:

Name of Director	Capacity	Number of issued ordinary shares held
Mr. Luk Kin Peter Joseph ("Mr. Luk")	Interest of a controlled corporation	361,300,276

The 361,300,276 Shares are held by Equity Valley Investments Limited, Prideful Future Investments Limited and Villas Green Investments Limited which in turn are held by The XSS Group Limited (XSS). XSS is owned 50% by Mr. Luk, 20% by Mrs. Catherine Cheung Sze Wai (Mr. Luk's wife) and 30% by Mrs. Chong Yee Kwan (Mr. Luk's mother). The other Directors of the Company or its associates do not have any shares in the Company. These shares will be abstained from voting in the Special General Meeting.

Yours faithfully,
For and on behalf of the Board
Luk Kin Peter Joseph
Chairman



WAH NAM INTERNATIONAL HOLDINGS LIMITED

華南投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(SEHK Stock Code: 159)

(ASX Stock Code: WNI)

NOTICE IS HEREBY GIVEN that a Special General Meeting of Wah Nam International Holdings Limited (the “**Company**”) will be held at Room 1003, 10/F Knutsford Commercial Building, 4-5 Knutsford Terrace, Tsim Sha Tsui, Kowloon on Tuesday, 27 March 2012 at 11:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. RESOLUTION 1 — ISSUE OF OPTIONS TO LUK KIN PETER JOSEPH

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to grant 50,000,000 Options (each to acquire one fully paid ordinary share in the Company) to Luk Kin Peter Joseph in accordance with the Share Option Scheme and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

Voting Exclusion: In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolution 1 by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

NOTICE OF SPECIAL GENERAL MEETING

2. RESOLUTION 2 — ISSUE OF OPTIONS TO CHAN KAM KWAN JASON

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to grant 5,000,000 Options (each to acquire one fully paid ordinary share in the Company) to Chan Kam Kwan Jason in accordance with the Share Option Scheme and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

Voting Exclusion: In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolution 2 by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 — ISSUE OF OPTIONS TO CHU CHUNG YUE HOWARD

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to grant 20,000,000 Options (each to acquire one fully paid ordinary share in the Company) to Chu Chung Yue Howard in accordance with the Share Option Scheme and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

Voting Exclusion: In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolution 3 by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

NOTICE OF SPECIAL GENERAL MEETING

4. RESOLUTION 4 — ISSUE OF OPTIONS TO LAU KWOK KUEN EDDIE

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to grant 1,000,000 Options (each to acquire one fully paid ordinary share in the Company) to Lau Kwok Kuen Eddie in accordance with the Share Option Scheme and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

Voting Exclusion: In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolution 4 by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 — ISSUE OF OPTIONS TO UWE HENKE VON PARPART

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to grant 1,000,000 Options (each to acquire one fully paid ordinary share in the Company) to Uwe Henke Von Parpart in accordance with the Share Option Scheme and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

Voting Exclusion: In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolution 5 by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

NOTICE OF SPECIAL GENERAL MEETING

6. RESOLUTION 6 — ISSUE OF OPTIONS TO YIP KWOK CHEUNG DANNY

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the Company to grant 1,000,000 Options (each to acquire one fully paid ordinary share in the Company) to Yip Kwok Cheung Danny in accordance with the Share Option Scheme and otherwise on the terms and conditions set out in the accompanying Explanatory Memorandum.”

Voting Exclusion: In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolution 6 by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 5 March 2012

EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH THE ASX LISTING RULES

This Explanatory Memorandum, the Notice and the circular dated 5 March 2012 (the “Circular”) are important documents. They should be read carefully.

This Explanatory Memorandum forms part of the Circular. Capitalised terms used herein shall have the same meaning as those defined in the Circular unless stated otherwise.

This Explanatory Memorandum also forms part of the Notice of Special General Meeting set out on pages 9 to 12 of the Circular. It should be read in conjunction with the Notice of Special General Meeting and the Resolutions therein.

If you have any questions regarding the matters set out in this Explanatory Memorandum or the ensuing Notice, please contact the Company, your financial adviser, stockbroker or solicitor.

2. RESOLUTIONS 1 TO 6 (INCLUSIVE) — ISSUE OF OPTIONS TO DIRECTORS

2.1 Background

Resolutions 1 to 6 (inclusive) will be considered and voted on separately at the Meeting. For convenience, however, we have combined the explanatory notes for Resolutions 1 to 6.

Resolutions 1 to 6 (inclusive) seek Shareholder approval for the grant of an aggregate total of 78,000,000 Options by the Company, comprising:

- (a) 50,000,000 Options to Luk Kin Peter Joseph;
- (b) 5,000,000 Options to Chan Kam Kwan Jason;
- (c) 20,000,000 Options to Chu Chung Yue Howard;
- (d) 1,000,000 Options to Lau Kwok Kuen Eddie;
- (e) 1,000,000 Options to Uwe Henke Von Parpart; and
- (f) 1,000,000 Options to Yip Kwok Cheung Danny,

EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH THE ASX LISTING RULES

(each being a “Recipient Director”, and collectively, the “Recipient Directors”), on the terms and conditions set out in this Explanatory Memorandum.

On 14 August 2002, the Company established a share option scheme which became known as the “Wah Nam International Holdings Limited Share Option Scheme” (“**Share Option Scheme**”). The Share Option Scheme was amended on 10 November 2010.

The purpose of the Share Option Scheme is to enable the Company to grant Options to selected participants as incentives or rewards for their contribution to the Company and/or its subsidiaries.

Each of the Recipient Directors is entitled to participate in the Share Option Scheme. The grant of the Options to the Recipient Directors is consistent with the announcement dated 14 December 2011 of the grant of Options to eligible persons under the Share Option Scheme, including the Recipient Directors.

The grant of the 78,000,000 Options to the Recipient Directors is intended to act as both an incentive and a reward for the Recipient Directors to align themselves with the Company’s strategic plan focusing on optimising performance with the benefits flowing through to enhanced Shareholder returns.

The exercise of the Options is not subject to the satisfaction of any key performance targets.

The grant to the each of the Recipient Directors requires Shareholder approval under the ASX Listing Rules.

**EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH
THE ASX LISTING RULES**

2.2 Key details of the Options

It is proposed that the Recipient Directors are to be granted the following Options on the following key terms:

Director	Vesting Date	Number of Options	Maximum number of Shares to be issued upon exercise of the Options	Expiry Date	Exercise Price
Luk Kin Peter Joseph	50% immediately vest 50% vest after 1 year	50,000,000	50,000,000	13 December 2015	HK\$0.72
Chan Kam Kwan Jason	50% immediately vest 50% vest after 1 year	5,000,000	5,000,000	13 December 2015	HK\$0.72
Chu Chung Yue Howard	50% vest after 1 year 25% vest after 2 years 25% vest after 3 years	20,000,000	20,000,000	13 December 2015	HK\$0.72
Lau Kwok Kuen Eddie	50% immediately vest 50% vest after 1 year	1,000,000	1,000,000	13 December 2015	HK\$0.72
Uwe Henke Von Parpart	50% immediately vest 50% vest after 1 year	1,000,000	1,000,000	13 December 2015	HK\$0.72
Yip Kwok Cheung Danny	50% immediately vest 50% vest after 1 year	1,000,000	1,000,000	13 December 2015	HK\$0.72

The Options will be granted pursuant to the previous terms and conditions of the Share Option Scheme which are summarised in the Letter to the Board on pages 4 to 8 of this Circular.

EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH THE ASX LISTING RULES

2.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides, in essence, that the approval of shareholders is required before any of the following persons can acquire securities under an employee incentive scheme:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in paragraph (a) or (b) is, in ASX's opinion, such that approval should be obtained.

The Recipient Directors are directors of the Company for the purpose of ASX Listing Rule 10.14. Accordingly, in order for the Recipient Directors to acquire a beneficial interest in the Options, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.14.

2.4 Disclosure requirements

ASX Listing Rule 10.15 sets out the requirements for a notice of meeting requesting shareholder approval under ASX Listing Rule 10.14. In accordance with ASX Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolutions 1 to 6 (inclusive):

- (a) each of the Recipient Directors is a Director of the Company. Additionally, Mr. Luk Kin Peter Joseph is the Chairman of the Company, and Mr. Chan Kam Kwan Jason is the Company Secretary of the Company;
- (b) subject to Shareholder approval being obtained, the maximum number of Options that may be granted to the Recipient Directors collectively is 78,000,000 Options. If all 78,000,000 Options are exercised, the Recipient Directors will be entitled to collectively acquire a maximum of 78,000,000 Shares. The maximum number of Options, and if all of those Options are exercised, Shares, that may be granted by the Company to each Recipient Director individually is:

**EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH
THE ASX LISTING RULES**

- (i) Luk Kin Peter Joseph: 50,000,000 Options and 50,000,000 Shares upon exercise of those Options;
 - (ii) Chan Kam Kwan Jason: 5,000,000 Options and 5,000,000 Shares upon exercise of those Options;
 - (iii) Chu Chung Yue Howard: 20,000,000 Options and 20,000,000 Shares upon exercise of those Options;
 - (iv) Lau Kwok Kuen Eddie: 1,000,000 Options and 1,000,000 Shares upon exercise of those Options;
 - (v) Uwe Henke Von Parpart: 1,000,000 Options and 1,000,000 Shares upon exercise of those Options; and
 - (vi) Yip Kwok Cheung Danny: 1,000,000 Options and 1,000,000 Shares upon exercise of those Options;
- (c) the Options are granted for a consideration of HK\$1.00 per Recipient Director and therefore only nominal consideration of HK\$6.00 will be raised by the grant of the Options to the Recipient Directors. This amount, and any funds raised from time to time due to the exercise of any Options by the Recipient Directors will be used as the Board sees fit;
- (d) The Company has had no cause to approve the Share Option Scheme under the ASX Listing Rules, and notes that it has not issued any Options to persons referred to in ASX Listing Rule 10.14 since it was admitted to the official list of the ASX on 7 January 2011;
- (e) As at the date of this Notice, the persons referred to in ASX Listing Rule 10.14 entitled to participate in the Share Option Scheme are the Directors of the Company. The current Directors are Mr. Luk Kin Peter Joseph, Mr. Chan Kam Kwan Jason, Mr. Chu Chung Yue Howard, Mr. Lau Kwok Kuen Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung Danny. Options cannot however be granted to Directors or their associates unless prior approval of Shareholders is obtained in accordance with the ASX Listing Rules;

EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH THE ASX LISTING RULES

- (f) no loans will be made by the Company in connection with the acquisition of Options, or the exercise of those Options by the Recipient Directors;
- (g) if any of Resolutions 1 to 6 (inclusive) is approved by Shareholders, the relevant Options for which Shareholder approval was obtained will be granted by the Board no later than 3 days after the date of the Meeting and it is anticipated that the allotment will be on one date;
- (h) the terms and conditions of the proposed grant of the Options to the Recipient Directors are set out in the Letter from the Board on pages 4 to 8 of this circular, and the Options will be made pursuant to the terms and conditions of the Share Option Scheme; and
- (i) voting exclusion statements in respect of Resolutions 1 to 6 (inclusive) are set out in both the Notice and in section 2.7 of this Explanatory Memorandum.

2.5 ASX Listing Rule 7.1

As announced to the ASX on 24 November 2011, the ASX has granted to the Company a continuing, conditional waiver from ASX Listing Rule 7.1. As the Company continues to comply with the conditions of the waiver, approval pursuant to ASX Listing Rule 7.1 is not required to issue the Options or Shares upon the exercise of those Options to the Recipient Directors.

2.6 Chapter 2E of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the statutory exceptions applies or shareholders have in a general meeting approved the giving of that financial benefit.

Shareholder approval is not required to be sought pursuant to Chapter 2E of the Corporations Act as the Company is a “foreign company”, and not a “public company”, for the purposes of the Corporations Act.

EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH THE ASX LISTING RULES

2.7 Directors' recommendation

Resolution 1

All the Directors (other than Mr. Luk Kin Peter Joseph, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 1) consider the grant of options to Mr. Luk under the Share Option Scheme are in the best interest of the Company as well as the Shareholders as a whole, and recommend that Shareholders vote in favour of Resolution 1, for the reasons provided in this Explanatory Memorandum.

Resolution 2

All the Directors (other than Mr. Chan Kam Kwan Jason, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 2) consider the grant of options to Mr. Chan under the Share Option Scheme are in the best interest of the Company as well as the Shareholders as a whole, and recommend that Shareholders vote in favour of Resolution 2, for the reasons provided in this Explanatory Memorandum.

Resolution 3

All the Directors (other than Mr. Chu Chung Yue Howard, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 3) consider the grant of options to Mr. Chu under the Share Option Scheme are in the best interest of the Company as well as the Shareholders as a whole, and recommend that Shareholders vote in favour of Resolution 3, for the reasons provided in this Explanatory Memorandum.

Resolution 4

All the Directors (other than Mr. Lau Kwok Kuen Eddie, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 4) consider the grant of options to Mr. Lau under the Share Option Scheme are in the best interest of the Company as well as the Shareholders as a whole, and recommend that Shareholders vote in favour of Resolution 4, for the reasons provided in this Explanatory Memorandum.

EXPLANATORY MEMORANDUM PREPARED IN ACCORDANCE WITH THE ASX LISTING RULES

Resolution 5

All the Directors (other than Mr. Uwe Henke Von Parpart, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 5) consider the grant of options to Mr. Von Parpart under the Share Option Scheme are in the best interest of the Company as well as the Shareholders as a whole, and recommend that Shareholders vote in favour of Resolution 5, for the reasons provided in this Explanatory Memorandum.

Resolution 6

All the Directors (other than Mr. Yip Kwok Cheung Danny, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 6) consider the grant of options to Mr. Yip under the Share Option Scheme are in the best interest of the Company as well as the Shareholders as a whole, and recommend that Shareholders vote in favour of Resolution 6, for the reasons provided in this Explanatory Memorandum.

2.8 Voting exclusion statements

In accordance with ASX Listing Rules 10.15 and 14.11.1, the Company will disregard any votes cast on Resolutions 1 to 6 (inclusive) by the Directors (except one who is ineligible to participate in the Share Option Scheme) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.