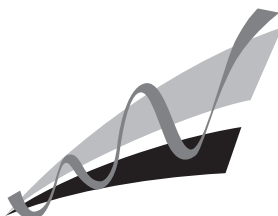


**If you are in any doubt** as to any respect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Wah Nam International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying annual report of the Company and form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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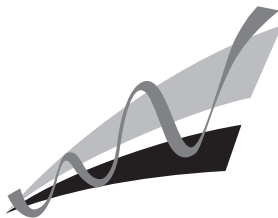
**WAH NAM INTERNATIONAL HOLDINGS LIMITED**  
**華南投資控股有限公司**

*(incorporated in Bermuda with limited liability)*

**PROPOSAL FOR GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES**

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The notice convening the annual general meeting of Wah Nam International Holdings Limited (the “Company”) to be held at Garden Room A & B, 2/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 13 May 2003 at 2:30 p.m. (the “Annual General Meeting”) was given on 26 March 2003 and is contained in the 2002 Annual Report of the Company. Shareholders are advised to read the notice and to complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be).



**WAH NAM INTERNATIONAL HOLDINGS LIMITED**

**華南投資控股有限公司**

*(incorporated in Bermuda with limited liability)*

*Executive Directors:*

Cheng Yung Pun (*Chairman*)

Yu Sui Chuen

Cheng Wing See, Nathalie

Lee Sai Keung, Daniel

*Registered Office:*

Clarendon House

2 Church Street

Hamilton, HM11

Bermuda

*Independent non-executive Directors:*

Au-Yeung Tsan Pong, Davie

Fung Ka Choi

*Principal place of business*

*in Hong Kong:*

Room 1202

12th Floor, Peninsula Centre,

67 Mody Road,

Tsimshatsui East, Kowloon,

Hong Kong

15 April 2003

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES**

**INTRODUCTION**

The purpose of this circular is to give you details of the information relating to the ordinary resolutions to be proposed at the Annual General Meeting to grant to the directors of the Company (the “Directors”) a general mandate to issue shares of HK\$0.1 each of the Company (the “Shares”) and a general mandate to repurchase Shares.

By written resolutions of the then sole shareholder of the Company passed on 14 August 2002, a general mandate was given to the Directors to exercise the powers of the Company to repurchase its own Shares and another general mandate was given to the Directors to allot, issue and deal with Shares of the Company. These general mandates will lapse at the conclusion of the Annual General Meeting.

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## LETTER FROM THE CHAIRMAN

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### GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the Annual General Meeting to approve a fresh general mandate to be given to the Directors to exercise the power of the Company to purchase at any time until the next annual general meeting of the Company or such earlier date on which the authority given under this resolution is revoked or varied by ordinary resolution of the shareholders of the Company (“Shareholders”) in general meeting Shares up to a maximum of 10 percent of the share capital of the Company in issue (the “Share Repurchase Mandate”).

An explanatory statement as required under the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to provide the requisite information is set out in the appendix hereto.

### GENERAL MANDATE TO ISSUE SHARES

There will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 percent of the share capital of the Company in issue until the next annual general meeting of the Company or such earlier date on which the authority given under this resolution is revoked or varied by ordinary resolution of the Shareholders in general meeting (the “Share Issue Mandate”) and adding to such general mandate so granted to the Directors any Share purchased by the Company under the Share Repurchase Mandate.

### ANNUAL GENERAL MEETING

At the Annual General Meeting, ordinary resolutions will be proposed to approve the Share Repurchase Mandate and the Share Issue Mandate.

The notice convening the Annual General Meeting is contained in the 2002 Annual Report of the Company. Shareholders are advised to read the notice and to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch Share Registrar, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be).

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## LETTER FROM THE CHAIRMAN

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### RECOMMENDATION

The Directors believe that the Share Repurchase Mandate and the Share Issue Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions relating to such matters to be proposed at the Annual General Meeting.

Yours faithfully,  
**Cheng Yung Pun**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own Shares.

**LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange. The Shares proposed to be purchased by a company are fully paid up.

**SHAREHOLDERS' APPROVAL**

All proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval for a particular transaction.

**EXERCISE OF THE SHARE REPURCHASE MANDATE**

As at 8 April 2003, being the latest practicable date prior to printing of this circular for ascertaining certain information contained in this circular (the "Latest Practicable Date"), there were 474,837,652 Shares in issue.

Subject to the passing of ordinary resolutions Nos. 4 and 5 set out in the notice convening the Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 47,483,765 Shares.

**REASONS FOR THE REPURCHASE OF SHARES**

The Directors believe that the Share Repurchase Mandate is in the best interest of the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

**FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-laws of the Company. It is envisaged that the funds required for any repurchase would be derived from those funds of the Company legally permitted to be utilised in this connection, including capital paid up on the Shares to be repurchased, funds of the Company otherwise

available for dividend or distribution or out of the proceeds of a fresh issue of Shares and any premium payable on a repurchase shall be provided out of funds of the Company otherwise available for dividend or distribution or sums standing to the share premium account of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the latest published audited consolidated accounts contained in the annual report for the period from 1 February 2002 (date of incorporation) to 31 December 2002 in the event that Share Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent which would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## SHARE PRICES

The monthly highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous months prior to the Latest Practicable Date were as follows:

|                                                                                   | Shares                 |                       |
|-----------------------------------------------------------------------------------|------------------------|-----------------------|
|                                                                                   | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| September 2002<br>(dealings in the Shares were commenced on<br>19 September 2002) | 0.425                  | 0.060                 |
| October 2002                                                                      | 0.280                  | 0.106                 |
| November 2002                                                                     | 0.227                  | 0.150                 |
| December 2002                                                                     | 0.208                  | 0.150                 |
| January 2003                                                                      | 0.216                  | 0.130                 |
| February 2003                                                                     | 0.200                  | 0.200                 |
| March 2003                                                                        | 0.200                  | 0.150                 |

## DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates currently intend to sell the Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

**CODE ON TAKEOVERS AND MERGERS**

If as a result of the Directors exercising the power to repurchase Shares pursuant to the Share Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Code on Takeovers and Mergers ("Takeover Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

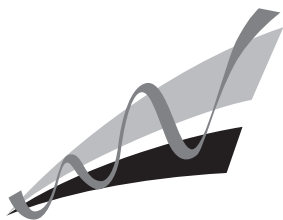
As at the Latest Practicable Date, Leading Highway Limited ("Leading Highway") of which Mr. Cheng Yung Pun is the sole director and shareholder is interested in 325,500,000 shares (representing 68.55 percent the Company's issued share capital) and holds the entire interest of HK\$18 million convertible notes of the Company.

Based on such shareholdings and in the event that the Directors should exercise in full the power to repurchase in accordance with the Share Repurchase Mandate, then (if the present shareholdings remain the same), the shareholding of Leading Highway would be increased to 76.16 percent of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code but will reduce the amount of the Shares held by the public to less than 25 percent of the issued share capital of the Company. The Directors have no intention to exercise the Share Repurchase Mandate to such an extent. The Directors also would not exercise the Share Repurchase Mandate to an extent that the Company will infringe the minimum 25 percent public float requirement under the Listing Rules.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorized to make repurchases of Shares.

**SHARES PURCHASE BY THE COMPANY**

Neither the Company nor any of its subsidiaries has repurchased any of the Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.



**WAH NAM INTERNATIONAL HOLDINGS LIMITED**

**華南投資控股有限公司**

*(incorporated in Bermuda with limited liability)*

**NOTICE IS HEREBY GIVEN** that the 2003 annual general meeting of shareholders of Wah Nam International Holdings Limited (the “Company”) will be held at Garden Room A & B, 2/F., Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui East, Kowloon on 13 May 2003 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors of the Company for the period from 1 February 2002 (date of incorporation) to 31 December 2002.
2. To re-elect the retiring director and to fix her remuneration.
3. To re-appoint auditors of the Company and authorise the board of directors to fix their remuneration.
4. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

**“THAT:**

- (A) subject to paragraph (C) of this Resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with shares of HK\$0.10 each in the capital of the Company (the “Shares”) so issued and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;



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## NOTICE OF ANNUAL GENERAL MEETING

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(C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantee as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(D) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;  
or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda (as amended) or any other applicable law of Bermuda to be held; or
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of Shares or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares, or any class of Shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

**“THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (the “Shares”) listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;  
or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) or any other applicable law of Bermuda to be held; or
- (ii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

“**THAT** subject to the passing of Ordinary Resolutions Nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with shares of HK\$0.10 each in the capital of the Company (the “Shares”) pursuant to Ordinary Resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the Ordinary Resolution No. 5 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing Ordinary Resolution No. 5.”

By Order of the Board  
**Lam Ching Wan, William**  
*Company Secretary*

Hong Kong, 26 March 2003

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company’s branch Share Registrar, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto. If more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. The Register of Members of the Company will be closed from 7 May 2003 to 13 May 2003 both days inclusive during which period no share transfer will effected.
5. In order to be qualified for attending and voting at the Annual General Meeting, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Company’s branch Share Registrar, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 6 May 2003.