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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)*

**(Stock code: 159)**

### **DISCLOSEABLE TRANSACTION ACQUISITIONS OF SHARES IN FERRAUS LIMITED**

WN Australia, a wholly-owned subsidiary of the Company, has acquired from time to time 13,951,945 FRS Shares during the period from 22 February 2010 to 16 September 2010 at a total consideration (before brokerage fee) of approximately AUD11.8 million (equivalent to approximately HK\$82.0 million). In addition, pursuant to the subscription of FRS Shares as announced by the Company on 22 June 2010, WN Australia subscribed for 25,047,939 FRS Shares for a consideration of AUD21.5 million (equivalent to approximately HK\$147.0 million). As at the date of this announcement, WN Australia holds in aggregate 38,999,884 FRS Shares, representing approximately 19.24% of the issued ordinary share capital of FRS. The Acquisitions in aggregate constitute a discloseable transaction for the Company under the Listing Rules.

The Group may continue to trade FRS Shares depending on, among other things, the market conditions.

FRS is a company listed on ASX and is principally engaged in the exploration and development of iron ore and manganese in Australia.

### **ACQUISITIONS OF FRS SHARES**

FRS Shares are listed on ASX.

WN Australia is a wholly-owned subsidiary of the Company. WN Australia from time to time acquired 13,951,945 FRS Shares on ASX during the period from 22 February 2010 to 16 September 2010 at a total consideration (before brokerage fee) of approximately AUD11.8 million (equivalent to approximately HK\$82.0 million). As announced by the Company on 22 June 2010, WN Australia subscribed for 25,047,939 FRS Shares for a consideration of AUD21.5 million (equivalent to

\* *For identification purposes only*

approximately HK\$147.0 million). As of the date of this announcement, WN Australia holds in aggregate 38,999,884 FRS Shares, representing approximately 19.24% of the issued ordinary share capital of FRS. Save as disclosed above, the Group did not acquire any other FRS Shares during the 12 months ended 16 September 2010.

As the On-market Acquisitions are made on ASX, the Company is not aware of the identity of the sellers of the relevant FRS Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the sellers of the On-market Acquisitions and the ultimate beneficial owners of the sellers (if any) are third parties independent of the Company and its connected persons.

Pursuant to a subscription agreement dated 22 June 2010 between WN Australia and FRS, WN Australia subscribed for 25,047,939 FRS Shares. Save for WN Australia's interest in FRS Shares, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, FRS is a third party independent of the Company and its connected persons.

The consideration for the On-market Acquisitions was determined with reference to market prices quoted on ASX at the relevant time when the transactions under the On-market Acquisitions were carried out, and the consideration for the Subscription was determined between FRS and WN Australia at arm's-length negotiations having regard to the then market price of FRS Shares. The consideration for the Acquisitions was settled in cash utilising the Group's internal funding, including, among others, the net proceeds from the placing and subscription as announced by the Company on 19 June 2010. The Directors are of the view that the consideration for the Acquisitions is fair and reasonable.

WN Australia filed a further notice of change of interests of substantial holder with ASX on 16 September 2010 in accordance with the relevant law in Australia.

The Group may continue to trade FRS Shares depending on, among other things, the market conditions and the Company will comply with the applicable requirements under the Listing Rules as and when appropriate.

## **INFORMATION ON FRS**

Based on information available to the Company, FRS Shares have been listed on the ASX since 2003. FRS is principally engaged in the exploration and development of iron ore and manganese. According to FRS's 2009 annual report and announcements, its projects include a 100% interest in the Robertson Range iron ore project (which is located in the south east Pilbara region of Western Australia), a 100% interest in Davidson Creek iron ore project in east Pilbara region of Western Australia, a 100% interest in Murramunda project in east Pilbara region of Western Australia, a 100% interest in Enachedong manganese project in east Pilbara region of Western Australia and an interest in Silver Swan North nickel and gold project located in Kalgoorlie Area of Western Australia.

Based on the published financial statements of FRS for the 6 months ended 31 December 2009, it recorded unaudited net assets of approximately AUD67.0 million (equivalent to approximately HK\$486.4 million) as at 31 December 2009. FRS's projects were under exploration development stage and apart from interest income, it did not generate any revenue for the years ended 30 June 2008 and 2009 and the 6 months ended 31 December 2009. The table below sets out the loss before and after taxation of FRS for the years ended 30 June 2008 and 2009 and the 6 months ended 31 December 2009.

	<b>For the year ended</b>		<b>For the year ended</b>		<b>For the</b>	
	<b>30 June 2008</b>		<b>30 June 2009</b>		<b>six months ended</b>	
	<b>Audited</b>		<b>Audited</b>		<b>Unaudited</b>	
	<i>AUD'000</i>	<i>HK\$'000</i>	<i>AUD'000</i>	<i>HK\$'000</i>	<i>AUD'000</i>	<i>HK\$'000</i>
Loss before taxation	2,701	19,609	3,152	22,876	4,824	35,022
Loss after taxation	<u>3,057</u>	<u>22,194</u>	<u>2,918</u>	<u>21,185</u>	<u>4,833</u>	<u>35,088</u>

#### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Company, through its subsidiaries, is principally engaged in (a) the exploitation, processing and sales of mineral resources, presently including copper, zinc and lead ore concentrates in the PRC; (b) the provision of limousine rental and airport shuttle bus services in Hong Kong and the PRC; and (c) investments in equity securities.

Mining is the principal business focus of the Group and as stated in its 2010 interim report, the Company will continue the activities of its existing Damajianshan Mine and at the same time seek for potential acquisition opportunities, both in the PRC and overseas. As part of the Group's expansion plan, the Group also acquired BRM Shares. As at the date of this announcement, the Group holds 28,787,224 BRM Shares representing 20.33% of the issued share capital of BRM at a total consideration (before brokerage fee) of approximately AUD52.8 million (equivalent to approximately HK\$343.6 million). BRM Shares are listed on ASX and BRM is principally engaged in the exploration and development of iron ore, nickel, copper and gold. Shareholders and investors may refer to the Company's announcement dated 1 March 2010 for more information on BRM.

The Company considers that the business of FRS to be complementary to the Group's mining operations and the Acquisitions represent a good investment opportunity. The Company considers that the terms of the Acquisitions are fair and reasonable and the Acquisitions are in the interests of the Company and its shareholders as a whole.

## LISTING RULES REQUIREMENTS

Under the Listing Rules, the Acquisitions in aggregate constitute a discloseable transaction for the Company as some of the size tests, calculated pursuant to Rule 14.07 of the Listing Rules, exceed 5% but none of the size tests reaches 25%.

As at the date of this announcement, the Board comprises Mr. Luk Kin Peter Joseph and Mr. Chan Kam Kwan, Jason as executive Directors, and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive Directors.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisitions”	the On-market Acquisitions and the Subscription
“ASX”	ASX Limited (trading as The Australian Stock Exchange Limited)
“AUD”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“BRM”	Brockman Resources Limited, the ordinary shares of which are listed on ASX
“BRM Shares”	ordinary shares in BRM
“Company”	Wah Nam International Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“FRS”	FerrAus Limited, the ordinary shares of which are listed on ASX
“FRS Shares”	ordinary shares in FRS
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“On-market Acquisitions”	the purchases of an aggregate of 13,951,945 FRS Shares, representing approximately 6.88% of the existing issued ordinary share capital of FRS, during the 12-month period ended 16 September 2010 for an aggregate consideration (before brokerage fee) of approximately AUD11.8 million (equivalent to approximately HK\$82.0 million)
“PRC”	the People’s Republic of China
“Subscription”	the subscription by WN Australia of 25,047,939 FRS Shares, representing 12.36% of the existing issued ordinary share capital of FRS, at a consideration of approximately AUD21.5 million (equivalent to approximately HK\$147.0 million)
“WN Australia”	Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of the Company

By order of the board  
**Wah Nam International Holdings Limited**  
**Luk Kin Peter Joseph**  
*Chairman*

16 September 2010, Hong Kong

*Save for the transactions comprising the Acquisitions where AUD is converted into HK\$ at the actual exchange rate used when settling the transactions, AUD is converted into HK\$ at an exchange rate of AUD1 = HK\$7.26 for illustrative purposes in this announcement.*