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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT  
QUARTERLY ACTIVITIES REPORT**

The following is the text of the quarterly activities report 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, 28 April 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*



## QUARTERLY ACTIVITIES REPORT — MARCH 2011

### HIGHLIGHTS

- Ongoing Takeover Offers for Brockman Resources Limited and FerrAus Limited.
- Gradual fulfillment of conditions to the Takeover Offers.
- Continuing exploration of Damajianshan Mine project in Yunnan Province, China.
- Mine production decreases due to annual long Lunar New Year holidays in China and temporary cutback in power supply
- Limousine business experienced significant growth in the quarter.

### OVERVIEW

The first quarter of 2011 marked an important development for Wah Nam International Holdings Limited (ASX: WNI ; SEHK: 0159). During the quarter, corporate activities remained the Company's core focus. The commencement of dual listing on the ASX has facilitated our Takeover Offers whereby accepting shareholders may choose to deal in their shares in either the ASX or SEHK platform at their sole discretion. The targets of the Takeover Offers are Brockman Resources Limited (ASX: BRM) and FerrAus Limited (ASX: FRS), two ASX listed iron ore developers. As at 31 March 2011, Wah Nam has a 28.05% relevant interest in Brockman and 17.04% relevant interest in FerrAus. Up to the date of this report, further acceptances by Brockman Shareholders have increased Wah Nam's relevant interest in Brockman to 38.03%.

The ASX listing and shareholder approval of the Takeover Offers represent the fulfillment of two significant conditions of the Takeover Offers.

#### Wah Nam International Holdings Limited

ARBN 143 211 867  
ASX Code: WNI  
SEHK Code: 159

#### Head Office

Room 2805, 28th Floor  
West Tower, Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan,  
Hong Kong

#### Registered Office in Australia

C/- Barringtons Your Business  
Advisors  
Barrington House  
283 Rokeby Road  
SUBIACO WA 6008





### **The Takeover Offers**

The Company lodged two Takeover Offers simultaneously to acquire all of the outstanding shares of Brockman and FerrAus that the Company did not already own, through an all-scrip bid. The respective bidder's statements were lodged and despatched on 15 December 2010, marking the official commencement of the Takeover Offers. The Takeover Offers have been extended to 16 May 2011. Details and terms of the Takeover Offers can be found in the bidders' statements published available on ASX.

The Takeover Offers have generated different responses from our takeover targets. During the quarter, Brockman's board filed an application to the Australian Government Takeovers Panel (the "Panel"). Through the application Brockman's board sought orders for unacceptable circumstances on the Company's Brockman Takeover Offer as it alleged that some Brockman's shareholders were acting in concert with the Company. The Panel went through the proceedings and reviewed submissions from all relevant parties. Upon completion of the proceedings, the Panel has rejected Brockman's board allegation and declined to make declaration of unacceptable circumstances. During the quarter the Foreign Investments Review Board of Australia has reconfirmed its no objection to the Company's FerrAus Takeover Offer.

Through the Takeover Offers, the Company intends to become a significant player in the Australian iron ore industry. The combination of the high quality assets may allow an independent rail solution to be developed, solving one of the key problems facing both Brockman and FerrAus currently. Additionally, the combination of two members of the North West Infrastructure Group (NWI), which is currently working towards the completion of multi-berth facilities at Port Hedland, will greatly increase the chance of all parties agreeing to the port development terms and securing the required finance.

### **Cash Position**

The cash and bank balance of the Group for the quarter ended 31 March 2011 amounted to approximately HK\$127.9 million.





## MINING OPERATION

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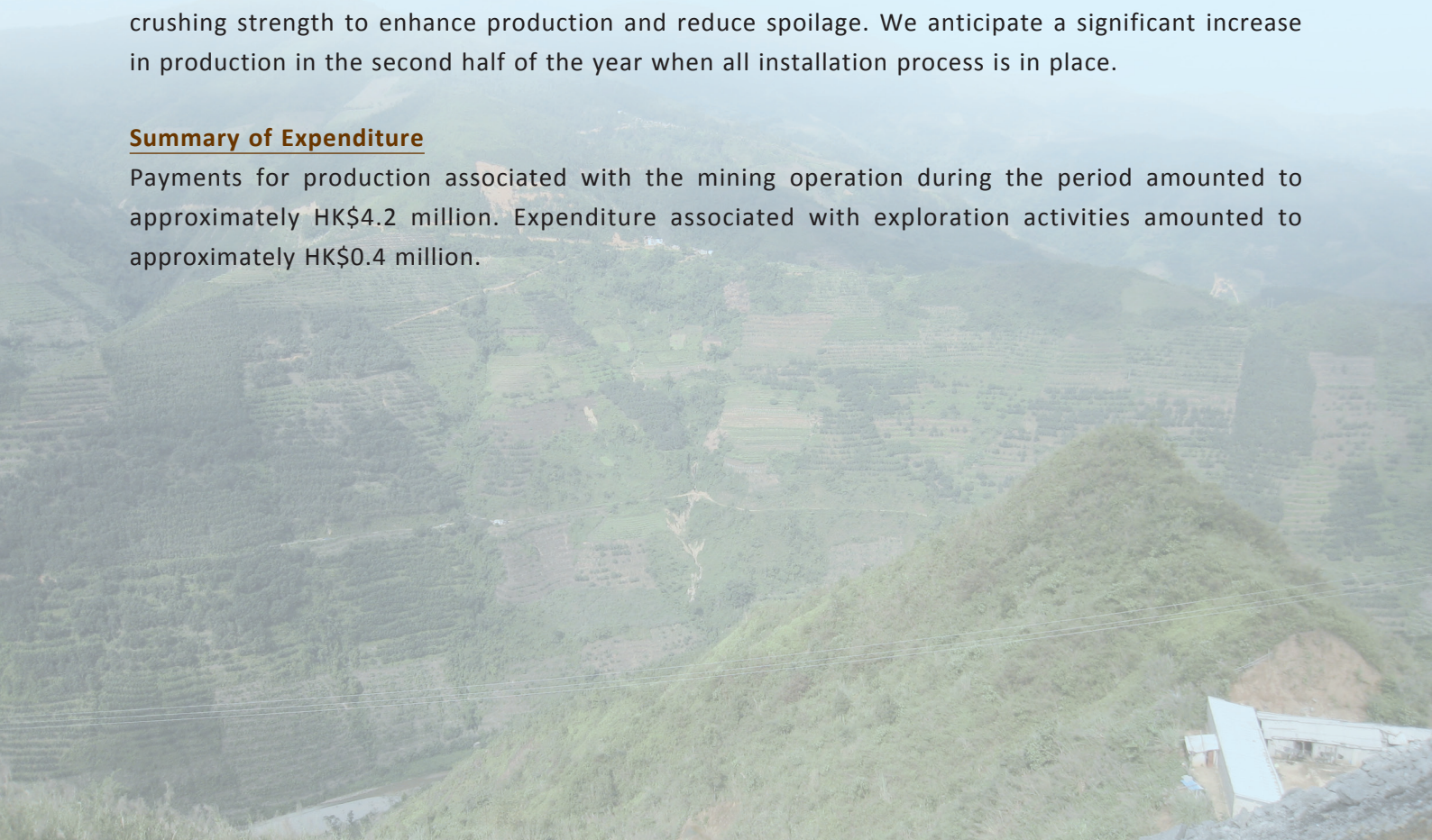
During the period, cash receipts from product sales of approximately HK\$6.7 million was contributed by Wah Nam's 100% owned subsidiary Smart Year Investments Limited, owner and operator of the Damajianshan Mine. Copper ore processed and production volume of copper ore concentrates were approximately 10,900 tonnes and 60 metal tonnes respectively during the first quarter of 2011.

Production on February 2011 was put on halt due to the Lunar New Year holidays. After the holidays, the provincial government implemented an electric power brownout over our mining area which has limited the power supply to a daily level of 200kw. The limited power supply has impacted our copper ore processing activities. Ore processing plant cannot operate with such limited power supply, hence there is no production during the period of electricity cutback from February 2011 onwards, and it is expected to continue until mid of May 2011. This electric power brownout was attributed to the installation and rerouting of power supply from the power station to our current mine site which is aimed at increasing the overall electricity supply to cope with our expansion plan. The Company is confident that production will be resumed and increased once the installation and rerouting of power supply to our mine is completed..

In the meantime, the Company has invested in a new crushing and screening machine with better crushing strength to enhance production and reduce spoilage. We anticipate a significant increase in production in the second half of the year when all installation process is in place.

### Summary of Expenditure

Payments for production associated with the mining operation during the period amounted to approximately HK\$4.2 million. Expenditure associated with exploration activities amounted to approximately HK\$0.4 million.





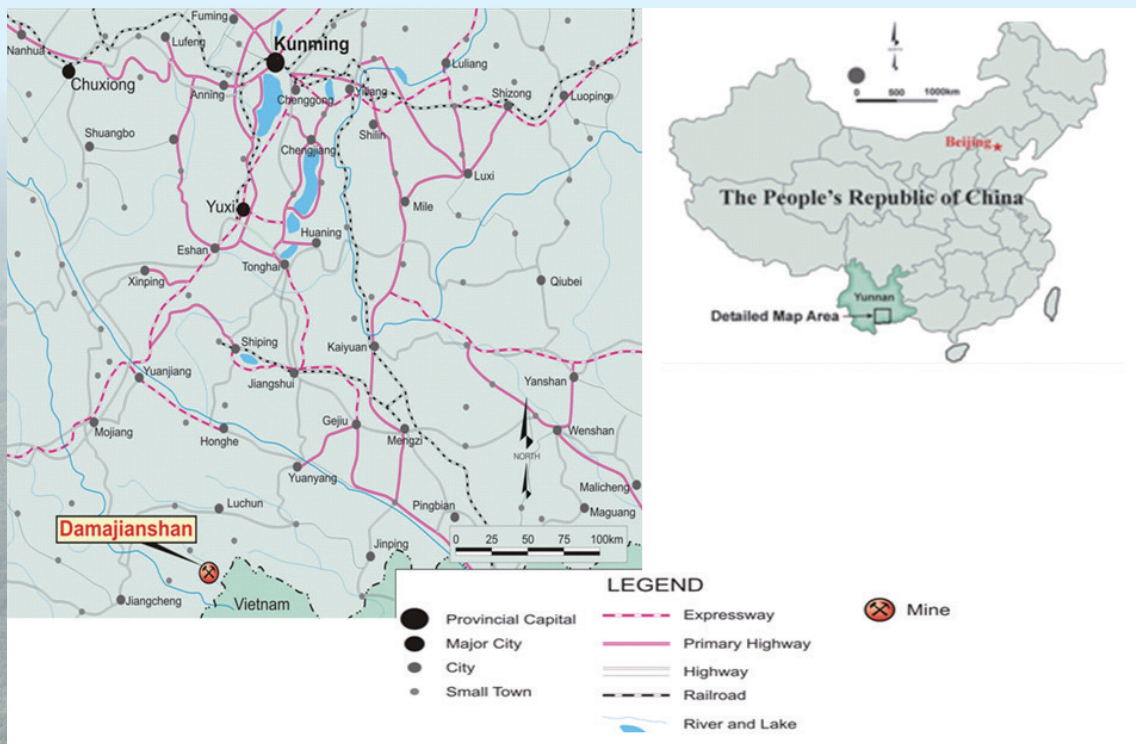


**Location**

The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. It is near the border between the PRC and Vietnam. A total of 3.67 km<sup>2</sup> is covered by the mining right.



Map of Damajianshan Mine







<b>Mining Permit No.</b>	5300000720259
<b>Registered holder</b>	100% by Luchun Xingtai
<b>Domicile</b>	Fengqing Garden, Luchun County, Honghe Prefecture, Yunnan Province
<b>Name of the Mine</b>	Luchun Xingtai Damajianshan Copper Mine
<b>Type of mineral</b>	Copper
<b>Exploitation manner</b>	Underground

### Copper Reserves and Resources

JORC Copper Reserves and Resources for the Damajianshan Mine are set out in the Table below.

These estimates were included in the Independent Technical Report by Behre Dolbear Asia Inc dated 31 December 2007. The BDAAsia report and the Reserve and Resource estimate were reproduced in full in the Company's Prospectus lodged with ASX on 11 November 2010.

<b>Copper (Cu) Mineral Reserve</b>	<b>Ore Tonnage (kt)</b>	<b>Cu Grading (%)</b>	<b>Cu Metal (kt)</b>
Proved	4,648	1.49	69.3
Probable	3,150	1.42	44.6
Total	7,798	1.46	113.9

<b>Copper (Cu) Mineral Resource</b>	<b>Ore Tonnage (kt)</b>	<b>Cu Grading (%)</b>	<b>Cu Metal (kt)</b>
Measured	4,652	1.79	83.1
Indicated	3,153	1.70	53.5
Subtotal	7,805	1.75	136.5
Inferred	7,678	1.61	123.9
Total	15,483	1.68	260.4

Given these estimates, and as described in the BDAAsia report, it is thought that the mine operation has the potential to produce over 429,000 tonnes per annum for more than 18 years.

The technical information contained in this report in relation to the JORC reported Mineral Resources is based on information compiled by Dr. Deng Qingping, who was President of BDAAsia and Global Director of Ore Reserves and Mine Planning for BDAAsia. Dr. Deng is a Certified Professional Geologist of the American Institute of Professional Geologist and meets all the requirements for "Competent Person" as defined in the 2004 Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").





### Exploration

During the quarter the Company continued to carry on with its exploration activities which have been reactivated in late 2009. The exploration activities are aimed to find additional resources in order to support the Company's further expansion plan. New drilling works and detailed prospecting and scoping plans are now being planned to better define the lithology, grade and assemblage within the mining lease.

During the quarter, geophysical surveys were carried out, with acoustic frequency geo-electric field method (AMT) and electromagnetic exploration method employed at the mine site. No drilling was carried during the quarter and we expect drilling and further geophysical survey work to continue in the next quarter. Results are being gathered and will be modeled to generate a JORC-compliant resource report in a later stage. However significant drilling and metallurgical test work will have to be carried before resource can be estimated.

### Competent Person Statement

In accordance with the Australian Stock Exchange requirements, the technical information contained in this announcement in relation to the Damajianshan Mine has been reviewed by Mr. Christopher Arndt – a self employed consultant to the Company. Mr. Arndt is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr. Arndt consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

## **LIMOUSINE BUSINESS**

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Receipts from the limousine rental and airport shuttle bus operations amounted to approximately HK\$35 million during the period, an increment of approximately 41.7% was noted compared with the same quarter in previous year. The increase of segment receipts was attributed to the surging demand for limousine rental services both in Hong Kong and the PRC. Significant growth in the travel industry in Hong Kong and the PRC was the major driver of the increased demand.





## CORPORATE PROFILE

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### Wah Nam International Holdings Limited

ARBN 143 211 867

#### Executive Directors:

Luk Kin Peter Joseph  
Chan Kam Kwan, Jason

#### Independent Non-Executive Directors:

Lau Kwok Kuen, Eddie  
Uwe Henke Von Parpart  
Yip Kwok Cheung, Danny

#### Company Secretary

Chan Kam Kwan, Jason

### Wah Nam International Australia Pty Ltd

ACN 134 696 727

#### Directors:

Luk Kin Peter Joseph  
Chan Kam Kwan, Jason  
Warren Talbot Beckwith  
Au-Yeung Sai Kit, Alex

#### Company Secretary

Bryn Scott

#### Registrars

##### **Principal Share Registrars and Transfer Office**

Butterfield Fulcrum Group (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM08  
Bermuda




**Branch Share Registrars and Transfer Office — Hong Kong**

Tricor Secretaries Limited  
 26/F., Tesbury Centre  
 28 Queen's Road East  
 Wanchai, Hong Kong

**Branch Share Registrars and Transfer Office — Australia**

Computershare Investor Services Pty Limited  
 Reserve Bank Building  
 Level 2, 45 St George's Terrace  
 Perth, Western Australia, 6000

**Shares Details**
**Shares on issue**

As at 31 March 2011:  
 3,922,435,485 fully paid shares on issue  
 15,000,000 options quoted, expiring 30 September 2014

**Unquoted securities**

As at 31 March 2011:

75,000,000 unlisted options granted

— 4,500,000 share options, expiring	17 Jan 2014	EX HK\$1.164
— 2,250,000 share options, expiring	17 Jan 2014	EX HK\$1.164
— 2,250,000 share options, expiring	17 Jan 2014	EX HK\$1.164
— 27,000,000 share options, expiring	10 Feb 2014	EX HK\$1.240
— 39,000,000 share options, expiring	10 Nov 2013	EX HK\$2.00

By order of the board of directors of  
 Wah Nam International Holdings Limited

**Chan Kam Kwan, Jason**

Company Secretary

Hong Kong, 28 April 2011





## GLOSSARY

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ASX	ASX Limited ACN 008 624 691, or the financial products market, the Australian Securities Exchange, as the situation requires
Brockman	Brockman Resources Limited ACN 009 372 150
BDAsia	Behre Dolbear Asia Inc
Company	Wah Nam International Holdings Limited ARBN 143 211 867, a company incorporated in Bermuda and listed on the SEHK and ASX
FerrAus	FerrAus Limited ACN 097 442 529
Group	Wah Nam International Holdings Limited, its associates and subsidiaries
SEHK	Hong Kong Exchanges and Clearing Company Limited or the financial products market or the Hong Kong Stock Exchange, as the situation requires
PRC	the People's Republic of China
Smart Year Investments Limited	Smart Year Investments Limited, a wholly owned subsidiary of the Company which held 90% of interests of the mining business.
Takeover Offers	being collectively (i) the offer by the Company through Wah Nam Australia to acquire all of the ordinary fully paid shares of Brockman Resources Limited shares not already owned by the Company (ii) the offer by the Company through Wah Nam Australia to acquire all of the ordinary fully paid shares FerrAus Limited shares not already owned by the Company
Wah Nam	Wah Nam International Holdings Limited ARBN 143 211 867, a company incorporated in Bermuda and listed on the SEHK and ASX
Wah Nam Australia	Wah Nam International Australia Pty Ltd ACN 134 696 727



## Appendix 5B

### Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

WAH NAM INTERNATIONAL HOLDINGS LIMITED

ABN

ARBN 143 211 867

Quarter ended ("current quarter")

31 MARCH 2011

#### Consolidated statement of cash flows

##### Cash flows related to operating activities

	Current quarter HK\$'000	Year to date (3 months) HK\$'000
1.1 Receipts from product sales and related debtors	6,664	6,664
1.2 Payments for (a) exploration & evaluation	(437)	(437)
(b) development	—	—
(c) production	(4,240)	(4,240)
(d) administration expenses and other working capital	(45,510)	(45,510)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	165	165
1.5 Interest and other costs of finance paid	(235)	(235)
1.6 Income taxes paid	—	—
1.7 Other (provide details if material)		
1.7(a) Receipts from limousine rental & airport shuttle services	35,141	35,141
<b>Net Operating Cash Flows</b>	<b>(8,452)</b>	<b>(8,452)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	—	—
(b) equity investments	—	—
(c) other fixed assets	(3,112)	(3,112)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) equity investments	5,865	5,865
(c) other fixed assets	—	—
1.10 Loans to other entities	—	—
1.11 Loans repaid by other entities	—	—
1.12 Other (provide details if material)	—	—
<b>Net investing cash flows</b>	<b>2,753</b>	<b>2,753</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(5,699)</b>	<b>(5,699)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(5,699)	(5,699)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	—	—
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	1,932	1,932
1.17	Repayment of borrowings	(4,004)	(4,004)
1.18	Dividends paid	—	—
1.19	Other (provide details if material)	—	—
	<b>Net financing cash flows</b>	(2,072)	(2,072)
	<b>Net decrease in cash held</b>	(7,771)	(7,771)
1.20	Cash at beginning of quarter/year to date	135,590	135,590
1.21	Exchange rate adjustments to item 1.20	121	121
1.22	<b>Cash at end of quarter</b>	127,940	127,940

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter HK\$'ooo	
1.23	Aggregate amount of payments to the parties included in item 1.2	612
1.24	Aggregate amount of loans to the parties included in item 1.10	—

1.25 Explanation necessary for an understanding of the transactions

Directors Fees and Executive Directors' Remuneration
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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+ See chapter 19 for defined terms.



### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available HK\$'000	Amount used HK\$'000
3.1 Loan facilities	52,800	42,622
3.2 Credit standby arrangements	—	—

### Estimated cash outflows for next quarter

	HK\$'000
4.1 Exploration and evaluation	(592)
4.2 Development	—
4.3 Production	(3,101)
4.4 Administration expenses and other working capital	(37,366)
<b>Total</b>	<b>(41,059)</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter HK\$'000	Previous quarter HK\$'000
5.1 Cash on hand and at bank	127,940	135,590
5.2 Deposits at call	—	—
5.3 Bank overdraft	—	—
5.4 Other (provide details)	—	—
<b>Total: cash at end of quarter (item 1.22)</b>	<b>127,940</b>	<b>135,590</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference <sup>+</sup>securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b><sup>+</sup>Ordinary securities</b>	3,922,435,485	3,922,435,485	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	15,000,000	15,000,000	A\$0.02	A\$0.02
7.5 <b><sup>+</sup>Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	9,000,000 27,000,000 39,000,000		<i>Exercise price</i> HK\$1.164 HK\$1.240 HK\$2.000	<i>Expiry date</i> 17 January 2014 10 February 2014 10 November 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

.....  
(Company secretary)

Date: 28 April 2011

Print name: Chan Kam Kwan, Jason

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.