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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)**

**ANNOUNCEMENT  
IN RELATION TO THE CONDITIONAL OFFER FOR FRS SHARES**

FRS on 21 December 2010 announced its Proposal to seek shareholders' approval for the FRS Fundraising and the Options Grant. The resolutions in connection with the FRS Fundraising and Options Grant tabled at the FRS Shareholders' Meeting today were passed by the FRS Shareholders.

The Company is consulting its advisers including its legal advisers in Australia in respect of the implication of the Proposal on the FRS Conditional Offer. The Company will issue further announcement(s) in this regard.

Reference is made to the announcements of Wah Nam International Holdings Limited (the "Company") dated 10 November 2010 and 21 December 2010 and the Company's circular dated 26 November 2010 (the "Circular") in relation to, among other things, the conditional general offer for all shares in FerrAus Limited not already owned by Wah Nam International Australia Pty Ltd ("WN Australia"), a wholly-owned subsidiary of the Company. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

With reference to the Company's announcement dated 21 December 2010, FRS announced its proposal (the "Proposal") to seek shareholders' approval at an extraordinary general meeting (the "FRS Shareholders' Meeting") for a proposed capital raising of up to AUD35 million (the "FRS Fundraising") and for the grant of 1,000,000 options (the "Options Grant") with an exercise price of AUD1.00 each to the nominee of Mr Bryan Oliver (an executive director of FRS).

\* *For identification purpose only*

FRS announced today that the resolutions in connection with the FRS Fundraising and Options Grant tabled at the FRS Shareholders' Meeting convened today were passed by the FRS Shareholders. WN Australia as a FRS Shareholder voted against the aforesaid resolutions.

FRS in its announcements stated that it intends to raise up to AUD35 million which, together with the existing cash on hand of approximately AUD16 million as at 31 December 2010, is expected to assist FRS in funding a definitive feasibility study in relation to the FerrAus Pilbara Project, ongoing working capital, overhead requirements and exploration costs. In its announcements, it was stated that the FRS Board intends to conduct the FRS Fundraising within the next three months by way of an issue of ordinary shares to a range of domestic and international institutional investors, potentially including existing FRS Shareholders, at an issue price of not less than 85% of the average of the daily volume-weighted average prices of FRS Shares traded in the ordinary course on ASX in the 5 trading days preceding the commencement of the bookbuild process of the FRS Fundraising. FRS has not set out in its announcements the number of new FRS Shares which may be issued under the FRS Fundraising.

The Company is consulting its advisers including its legal advisers in Australia in respect of the implication of the Proposal on the FRS Conditional Offer. The Company will issue further announcement(s) in this regard.

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

Hong Kong, 24 January 2011

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