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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF SHARES IN FERRAUS LIMITED PURSUANT TO
ACCEPTANCE OF TAKEOVER OFFER BY ATLAS IRON LIMITED**

On 27 June 2011, Atlas announced its intention to make the Takeover Offer pursuant to which FRS Shareholders will receive one Atlas Consideration Share for every four FRS Shares tendered. The Takeover Offer opened for acceptance on 5 September 2011 and is expected to close on 5 October 2011. On 8 September 2011, the Takeover Offer was declared unconditional. On 20 September 2011, the Board resolved to accept the Takeover Offer in respect of 40,934,400 FRS Shares held by the Group, representing an approximately 10.01% equity interest in FRS, in exchange for 10,233,600 Atlas Consideration Shares, representing an approximately 1.17% equity interest in Atlas (based on the number of Atlas Shares in issue as at 19 September 2011 as enlarged by the issue of such Atlas Consideration Shares to the Group). If Atlas acquired the entire issued share capital of FRS (assuming full exercise of all FRS Options outstanding as at the date of the Bidder's Statement and conversion of all FRS Performance Shares) pursuant to the Takeover Offer, the shareholding interest that the Group will hold in Atlas will be 1.15%. The Acceptance constitutes a discloseable transaction for the Company under the Listing Rules.

THE TAKEOVER OFFER

On 27 June 2011, Atlas announced its proposal to implement the Subscription, the Iron Ore Assets Acquisition and the Takeover Offer. The Takeover Offer is conditional upon, among other things, minimum acceptance condition of 50.1%. The Takeover Offer opened for acceptance on 5 September 2011 and was declared unconditional on 8 September 2011. The scheduled closing date for the Takeover Offer is 5 October 2011.

* *For identification purposes only*

THE ACCEPTANCE

On 20 September 2011, the Board resolved to accept the Takeover Offer in respect of 40,934,400 FRS Shares held by the Group, representing an approximately 10.01% equity interest in FRS, in exchange for 10,233,600 Atlas Consideration Shares, representing an approximately 1.17% equity interest in Atlas (based on the number of Atlas Shares in issue as at 19 September 2011 as enlarged by the issue of such Atlas Consideration Shares to the Group). If Atlas acquired the entire issued share capital of FRS (assuming full exercise of all FRS Options outstanding as at the date of the Bidder's Statement and conversion of all FRS Performance Shares) pursuant to the Takeover Offer, the shareholding interest that the Group will hold in Atlas will be 1.15%.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Atlas and the shareholders of Atlas are third parties independent of the Company and its connected persons.

The consideration for the Takeover Offer was determined with reference to the market prices of FRS Shares and Atlas Shares quoted on ASX prior to the announcement of the Takeover Offer on 27 June 2011. Based on the closing price of Atlas Shares on 24 June 2011 (being the last trading day prior to announcement of the Takeover Offer) of AUD3.43, the Takeover Offer has an implied offer price of AUD0.858 per FRS Share, representing:

- (a) a premium of approximately 34% to the closing price of FRS Shares of AUD0.64 on 24 June 2011; and
- (b) a discount of approximately 4.67% to the closing price of FRS Shares of AUD0.90 on 19 September 2011 (being the last trading day prior to this announcement).

Subject to final audit, based on the closing price of Atlas Shares of AUD3.64 as at 19 September 2011, the Company expects the Acceptance to result in an estimated net gain of approximately HK\$55.0 million comprising the gain on disposal of the Group's investment in FRS and the release of the available-for-sale investment reserve.

INFORMATION ON FRS

FRS is an ASX-listed iron ore exploration company based in Perth, Western Australia. The FerrAus Pilbara Project, located in the South East Pilbara, is the primary focus of FRS and includes the Robertson Range Area and the Davidson Creek Area. The JORC Code compliant mineral resource at the FerrAus Pilbara Project totalled 347.1 million tonnes with 226.30 million tonnes of higher grade resource and 87.10 million tonnes of medium grade resource. FRS also owns an exploration project prospective for manganese in Western Australia.

Based on the latest published financial statements of FRS for the 6 months period ended 31 December 2010, FRS recorded unaudited net assets of approximately AUD85.9 million (equivalent to approximately HK\$686.3 million) as at 31 December 2010. The table below sets out the revenue and loss before and after taxation of FRS for the years ended 30 June 2009 and 2010 and the 6 months period ended 31 December 2010.

	For the year ended		For the year ended		For the six months	
	30 June 2009		30 June 2010		ended	
	Audited		Audited		31 December 2010	
	<i>AUD'000</i>	<i>HK\$'000</i>	<i>AUD'000</i>	<i>HK\$'000</i>	<i>AUD'000</i>	<i>HK\$'000</i>
Revenue	1,264	10,099	906	7,239	690	5,513
Loss before taxation	(3,151)	(25,176)	(8,325)	(66,517)	(1,922)	(15,357)
Loss after taxation	(2,918)	(23,315)	(8,290)	(66,237)	(1,921)	(15,349)

INFORMATION ON ATLAS

Atlas is an ASX-listed iron ore producer with a portfolio of projects encompassing over 18,000 km² in Western Australia, ranging from its established producing Pardoo and Wodgina iron ore projects near Port Hedland, development projects at Abydos and Mt Webber and McPhee Creek, through to the Turner River Hub project, the Ridley, Balla Balla, and Yerecoin magnetite projects, to exploration licence applications in the Newman area and mining leases in the Mid-West. Atlas is currently mining and exporting iron ore from its Pardoo and Wodgina iron ore projects at an approximate annualised rate of 6Mtpa.

Based on the latest published annual report of Atlas for the year ended 30 June 2011, Atlas recorded audited net assets of approximately AUD1,732.7 million (equivalent to approximately HK\$13,844.3 million) as at 30 June 2011. The table below sets out the revenue and profit/(loss) before and after taxation of Atlas for the years ended 30 June 2010 and 2011.

	For the year ended		For the year ended	
	30 June 2010		30 June 2011	
	Audited		Audited	
	<i>AUD'000</i>	<i>HK\$'000</i>	<i>AUD'000</i>	<i>HK\$'000</i>
Revenue	84,769	677,304	584,908	4,673,415
(Loss)/Profit before taxation	(40,846)	(326,360)	183,173	1,463,552
(Loss)/Profit after taxation	(40,846)	(326,360)	168,617	1,347,250

INFORMATION ON THE GROUP

The Group is principally engaged in (a) the exploitation, processing and sales of mineral resources, 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; (c) the acquisition, exploration and development of mineral tenements in Australia; and (d) investment in equity securities.

REASONS FOR AND BENEFITS OF THE ACCEPTANCE

According to the Bidder's Statement, if Atlas obtains effective control of FRS (i.e. more than 50% but less than 90% of all FRS Shares in issue) and there is a limited spread or volume of FRS Shareholders remaining at the end of the offer period, Atlas may seek to procure the removal of FRS from the official list of ASX. Following the completion of the Subscription and Iron Ore Assets Acquisition, Atlas held approximately 159.3 million FRS Shares, representing approximately 38.96% of the enlarged issued share capital of FRS. On 8 September 2011, Atlas declared the Takeover Offer unconditional and as at 19 September 2011 Atlas has received acceptances for the Takeover Offer which would entitle Atlas to a Relevant Interest in 83.77% of FRS Shares in issue. As at the date of this announcement, the Group held 40,934,400 FRS Shares, representing approximately 10.01% of the issued share capital of FRS. After having considered (a) the level of acceptances under the Takeover Offer and the possibility of FRS being removed from the official list of ASX in the event Atlas obtains effective control of FRS at the end of the offer period and there is a limited spread or volume of FRS Shareholders; (b) Atlas's track record of successfully commissioning iron ore mines in the Pilbara; and (c) the opportunity of holding Atlas Shares and continuing to share in the benefits associated with the development of FRS's iron ore projects as well as gaining exposure to Atlas's iron ore production and large exploration portfolio in the Pilbara region; the Directors consider the Acceptance to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

Under the Listing Rules, the Acceptance constitutes 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 requires otherwise, the following terms shall have the following meanings:

“Acceptance”	the acceptance of the Takeover Offer in respect of 40,934,400 FRS Shares held by the Group
“ASX”	ASX Limited (trading as The Australian Stock Exchange Limited)
“Atlas”	Atlas Iron Limited ABN 110 396 168, the ordinary shares of which are listed on ASX
“Atlas Consideration Shares”	Atlas Shares to be issued by Atlas as consideration for the Takeover Offer
“Atlas Shares”	ordinary fully paid shares in Atlas
“AUD”	Australian dollars, the lawful currency of Australia
“Bidder’s Statement”	the offer document issued by Atlas in respect of the Takeover Offer dated 5 September 2011
“Board”	the board of Directors
“Company”	Wah Nam International Holdings Limited, the shares of which are dually listed on the Stock Exchange and on ASX
“Corporations Act”	the Australian Corporations Act 2001 (Cth)
“Directors”	the directors of the Company
“FRS”	FerrAus Limited ACN 097 422 529, the ordinary shares of which are listed on ASX
“FRS Options”	options issued by FRS carrying rights to subscribe for new FRS Shares subject to the terms and conditions of the options
“FRS Performance Shares”	7,500,000 performance shares issued by FRS which are convertible into FRS Shares subject to the fulfillment of certain events as detailed in section 4.11 of the Bidder’s Statement

“FRS Shareholders”	holders of FRS Shares
“FRS Shares”	ordinary fully paid shares in FRS
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Iron Ore Assets Acquisition”	the purchase of South East Pilbara iron ore assets by FRS from Atlas in consideration for approximately 121.8 million FRS Shares issued at a deemed issue price of AUD0.65 per FRS Share, pursuant to an asset sale agreement
“JORC Code”	the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Relevant Interest”	has the meaning given in sections 608 and 609 of the Corporations Act
“Subscription”	the issue by FRS to Atlas of approximately 37.4 million FRS Shares at an issue price of AUD0.65 per FRS Share to raise AUD24.3 million, pursuant to a subscription agreement
“Takeover Offer”	the takeover offer by Atlas to acquire all the FRS Shares not held by it for a consideration of one Atlas Consideration Share for every four FRS Shares tendered

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

20 September 2011, Hong Kong

AUD is converted into HK\$ at an exchange rate of AUD1 = HK\$7.99 for illustrative purposes in this announcement.