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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 ATLAS IRON LIMITED

Reference is made to the announcement dated 20 September 2011 with regard to the Group's decision to accept the Takeover Offer in respect of the 40,934,400 FRS Shares that were held by the Group in exchange for 10,233,600 Atlas Shares, representing about 1.15% of the then enlarged issued shares of Atlas. Capitalized terms used herein shall have the same meaning as defined in the Company's announcement dated 20 September 2011 unless stated otherwise. The Board announced that as at 26 October 2011, the Company had accumulatively disposed of an aggregate of 8,938,644 Atlas Shares at an average price of AUD3.18 per Atlas Share on-market on the ASX. After the Disposal, the Company's interest in Atlas has been decreased from approximately 1.15% to 0.14%.

As the relevant percentage ratios (as defined under the Listing Rules) is larger than 5% but less than 25%, the Disposal constitutes a discloseable transaction under the Listing Rules.

THE DISPOSAL

Reference is made to the announcement dated 20 September 2011 with regard to the Group's decision to accept the Takeover Offer in respect of the 40,934,400 FRS Shares that were held by the Group in exchange for 10,233,600 Atlas Shares, representing about 1.15% of the then enlarged issued shares of Atlas. Capitalized terms used herein shall have the same meaning as defined in the Company's announcement dated 20 September 2011 unless stated otherwise.

* *For identification purpose only*

As at 26 October 2011, the Company had accumulatively disposed of 8,938,644 Atlas Shares at an aggregate consideration of AUD28,454,000 (equivalent to approximately HK\$227,632,000 at an average price of AUD3.18 per Atlas Share by way of selling these shares on-market on the ASX. As the relevant percentage ratios (as defined under the Listing Rules) is larger than 5% but less than 25%, the Disposal constitutes a discloseable transaction under the Listing Rules. The Company plans to continue to dispose of the Group's shares in Atlas.

As the Disposal was made on-market on ASX, the Company is not aware of the identity of the purchasers of the Atlas Shares under the Disposal. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the purchasers of the Atlas Shares under the Disposal and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Immediately prior to the Disposal, the Company was interested in 10,233,599 Atlas Shares, representing approximately 1.15% of Atlas' issued share capital as at 26 October 2011. The Disposal results in a decrease in the Group's equity interests in Atlas from 1.15% to 0.14%.

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\$13,861.6 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	678,152	584,908	4,679,264
(Loss)/Profit before taxation	(40,846)	(326,768)	183,173	1,465,384
(Loss)/Profit after taxation	(40,846)	(326,768)	168,617	1,348,936

REASONS OF THE DISPOSAL AND USE OF PROCEEDS

The Company and its subsidiaries (collectively, the “Group”) principally engage (i) in the acquisition, exploration and development of mineral tenements in Pilbara, Western Australia; (ii) in the exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC; (iii) in the provision of limousine rental and airport shuttle bus services in Hong Kong and the PRC; and (iv) in the investment in equity securities.

As disclosed in the announcement of the Company dated 20 September 2011, subject to final audit and based on the then closing price of Atlas Shares of AUD3.64 as at 19 September 2011, the Company expected the Acceptance to result in an estimated net gain of approximately HK\$55 million comprising the gain on disposal of the Group’s investment in FRS and the release of the available-for-sale investment reserve. As a result of the Disposal alone and subject to final audit, the Group expects to record a loss of approximately HK\$32 million based on the carrying value of the relevant Atlas Shares of AUD3.62 each (representing the market price of Atlas Shares on 20 September 2011, the date of Acceptance becoming effective) and the net proceeds of approximately AUD\$28 million (equivalent to approximately HK\$224 million) was received by the Group from the Disposal.

Having considered the recent market sentiment and the volatility in the global security market, the Board is of the view that it is the interests of the Group to realize the value of its shareholding in Atlas to increase the cash resources of the Group for the further development and expansion of its mineral resources businesses and further investment in the mineral resources sector.

The Directors are of the view that the Disposal is fair and reasonable and on normal commercial terms, and is in the interest of the Company and the Shareholders as a whole.

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 previously held by the Group
“ASX”	ASX Limited (trading as Australian Securities Exchange Limited)
“Atlas”	Atlas Iron Limited ABN 110 396 168, the ordinary shares of which are listed on ASX
“Atlas Shares”	Ordinary fully paid shares in Atlas
“AUD”	Australia 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
“Disposal”	The disposal of an aggregate of 8,938,644 shares of Atlas
“FRS”	FerrAus Limited (ACN 097 422 529, the ordinary shares of which are listed on the ASX)
“FRS Shares”	ordinary fully paid shares in FRS
“Group”	the Company and its subsidiaries
“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
“PRC”	the People’s Republic of China
“Relevant Interest”	has the meaning given in sections 608 and 609 of the Corporations Act
“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 of directors of
Wah Nam International Holdings Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 26 October 2011

AUD is converted into HK\$ at an exchange rate of AUD1 = HK\$8.00 for illustrative purposes in this announcement.

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.