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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**

Reference is made to the announcement of Wah Nam International Holdings Limited (the “Company”) dated 10 November 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, 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.

FRS announced today that it intends to seek shareholders’ approval at an extraordinary general meeting (“Meeting”) to be held on 24 January 2011 for a proposed capital raising of up to AUD35 million and for the grant of 1,000,000 options (“Options Grant”) with an exercise price of AUD1.00 each to the nominee of Mr Bryan Oliver (an executive director of FRS). The notice of the Meeting and explanatory memorandum were also published by FRS today.

In its announcements, FRS stated that it intends to raise up to AUD35 million (“FRS Fundraising”) which, together with the existing cash on hand of approximately AUD17.8 million, is expected to assist FRS in funding a definitive feasibility study in relation to the FerrAus Pilbara Project, other working capital requirements, exploration costs and its commitments as a member of the North West Iron Ore Alliance. FRS has not set out in its announcements, the number of new FRS Shares which may be issued under the FRS Fundraising. 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.

\* *For identification purpose only*

The Company is in the midst of seeking advice from its advisers, including that of the Company's legal adviser in Australia, as to the implications (if any) of the FRS Fundraising and Options Grant on the FRS Conditional Offer and will issue further announcement(s) upon making any decision on its response to or other proposed actions which the Group may take in respect of the FRS Fundraising and Options Grant. The full text of the aforesaid FRS's announcements is available on the website of ASX Limited at [www.asx.com.au](http://www.asx.com.au).

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

Hong Kong, 21 December 2010

*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.*