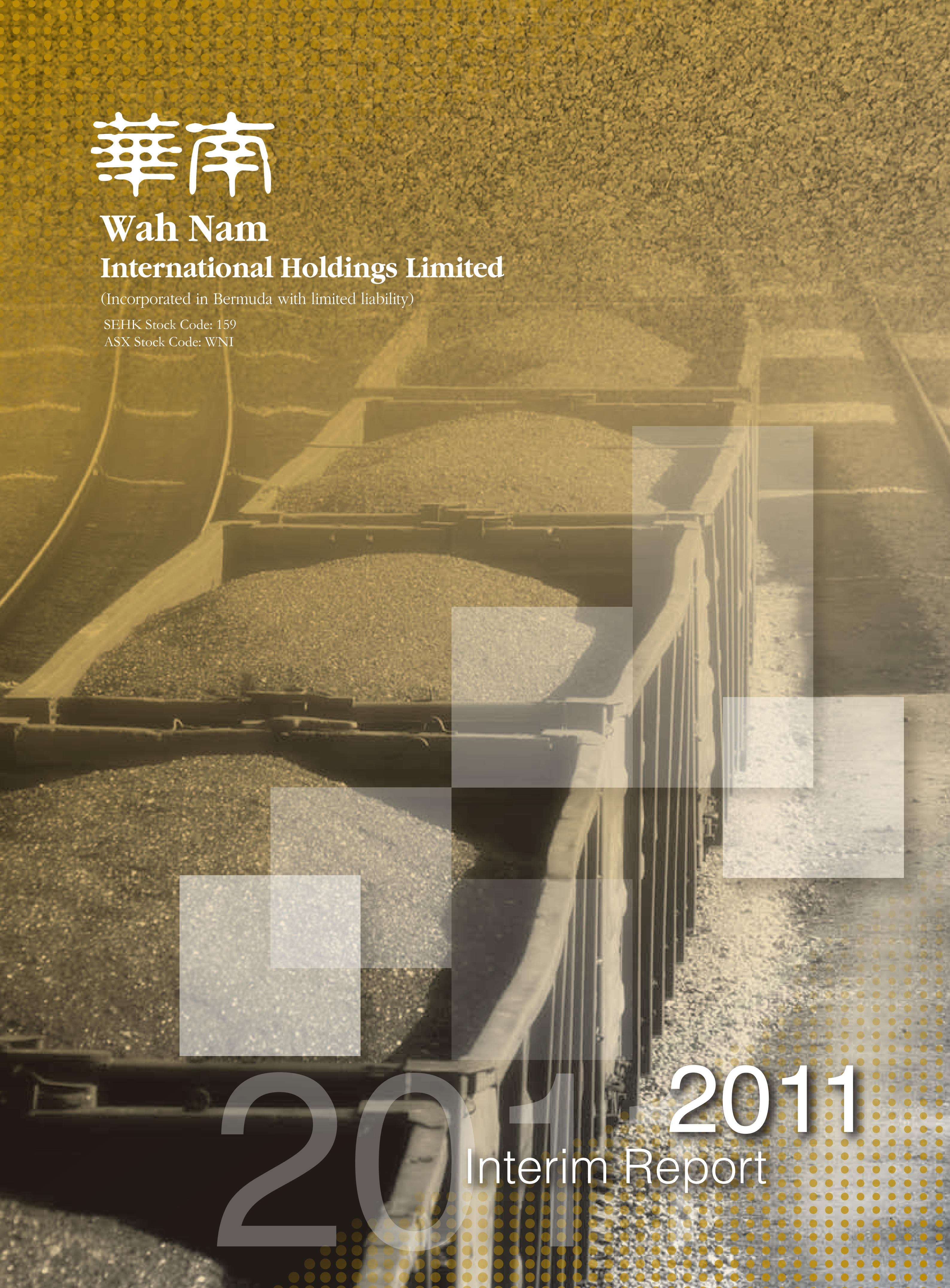

華南

Wah Nam International Holdings Limited

(Incorporated in Bermuda with limited liability)

SEHK Stock Code: 159
ASX Stock Code: WNI

2011 Interim Report

FINANCIAL INFORMATION

For the six-months ended 30 June 2011

Results for announcement to the market

The interim financial information do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2010 and any public announcements made by Wah Nam International Holdings Limited (Wah Nam) during the interim reporting period in accordance with the continuous disclosure requirements of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Australian Securities Exchange (the "ASX").

CONTENT

CORPORATE PROFILE

Wah Nam International Holdings Limited

BOARD OF DIRECTORS

Executive Directors

Luk Kin Peter Joseph *(Chairman)*
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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

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Barringtons Your Business Advisors
Barrington House
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SUBIACO WA 6008
Tel: 61 8 6426 0666 Fax: 61 8 9481 1947

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
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Bermuda

ARBN 143 211 867

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
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28 Queen's Road East
Wanchai, Hong Kong

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN AUSTRALIA

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Tel: 852 3169 3631 Fax: 852 3169 3630

PRINCIPAL BANKERS

Hang Seng Bank Limited
Standard Charetered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

www.wnintl.com
www.irasia.com/listco/hk/wahnam

STOCK CODE

The Stock Exchange of Hong Kong Limited: 159
Australian Securities Exchange: WNI

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
Revenue	4	67,984	55,189
Direct costs	6	(59,414)	(45,349)
Gross Profit		8,570	9,840
Other income		3,201	295
Other gains/(losses), net	7	513,243	(210)
Selling and administrative expenses	6	(48,114)	(25,866)
Exploration and evaluation expenses		(17,678)	(511)
Impairment of mining right		—	(153,000)
Finance costs	8	(828)	(3,286)
Profit/(Loss) before income tax		458,394	(172,738)
Income tax credit/(expense)	9	82	(264)
Profit/(Loss) for the period		458,476	(173,002)
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		85,800	11,403
Change in fair value on available-for-sale investments, net of tax		(175,560)	(35)
Release of deferred tax upon step acquisitions		125,559	—
Release of available-for-sale investments reserve upon step acquisitions		(513,243)	—
Other comprehensive (loss)/income for the period		(477,444)	11,368
Total comprehensive loss for the period		(18,968)	(161,634)
Profit/(Loss) for the period attributable to:			
Equity holders of the Company		466,189	(157,363)
Non-controlling interests		(7,713)	(15,639)
		458,476	(173,002)
Total comprehensive loss attributable to:			
Equity holders of the Company		(42,420)	(147,045)
Non-controlling interests		23,452	(14,589)
		(18,968)	(161,634)
Earnings/(Loss) per share attributable to the equity holders of the Company during the period		*HK cents*	*HK cents*
Basic	10	10.95	(5.58)
Diluted	10	10.93	N/A

The notes on pages 8 to 23 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Non-current assets			
Mining right	11	865,795	850,616
Property, plant and equipment	12	98,568	87,668
Goodwill		11,405	11,405
Intangible assets	13	6,050,443	11,217
Available-for-sale investments	14	307,987	1,545,224
Other non-current assets		12,130	8,685
		7,346,328	2,514,815
Current assets			
Inventories		15,333	12,164
Trade receivables	15	25,285	30,013
Other receivables, deposits and prepayments		22,714	11,445
Amount due from a related party	24	1,156	1,067
Financial assets at fair value through profit or loss		—	5,187
Restricted cash		5,200	5,200
Cash and cash equivalents		565,110	135,590
		634,798	200,666
Current liabilities			
Trade payables	16	8,421	12,350
Other payables and accrued charges		84,663	46,069
Amounts due to related companies	24	10,005	4,368
Bank borrowings due within one year	17	42,411	41,622
Obligations under finance leases		3,453	1,951
		148,953	106,360
Net current assets		485,845	94,306
Total assets less current liabilities		7,832,173	2,609,121
Equity			
Share capital	18	535,542	392,244
Reserves		3,268,639	1,875,371
Equity attributable to the equity holders of the Company		3,804,181	2,267,615
Non-controlling interests		2,164,003	82,298
Total equity		5,968,184	2,349,913
Non-current liabilities			
Obligations under finance leases		8,636	2,860
Amount due to a related party	24	33,096	32,360
Deferred income tax liabilities		1,821,171	223,499
Provisions		1,086	489
		1,863,989	259,208
		7,832,173	2,609,121

The notes on pages 8 to 23 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Statutory surplus reserve HK$'000	Convertible notes reserve HK$'000	Available-for-sale investment reserve HK$'000	Share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2010 (Audited)	278,226	953,645	633	154,757	133,644	–	(8,300)	(389,449)	1,123,156	95,425	1,218,581
Comprehensive income											
Loss for the period	–	–	–	–	–	–	–	(157,363)	(157,363)	(15,639)	(173,002)
Other comprehensive income											
Exchange differences arising on translation of foreign operation	–	–	–	–	–	–	10,353	–	10,353	1,050	11,403
Change in fair value gain on available-for-sale investments *(note 14)*	–	–	–	–	16,790	–	–	–	16,790	–	16,790
Deferred tax impact on available-for-sale investments	–	–	–	–	(16,825)	–	–	–	(16,825)	–	(16,825)
Total other comprehensive (loss)/ income for the period	–	–	–	–	(35)	–	10,353	–	10,318	1,050	11,368
Total comprehensive (loss)/income for the period	–	–	–	–	(35)	–	10,353	(157,363)	(147,045)	(14,589)	(161,634)
Transactions with equity holders											
Issue of shares	51,900	454,050	–	–	–	–	–	–	505,950	–	505,950
Transaction costs attributable to issue of shares	–	(9,444)	–	–	–	–	–	–	(9,444)	–	(9,444)
Issue of shares upon conversion of convertible notes	42,818	188,640	–	(154,757)	–	–	–	–	76,701	–	76,701
Share-based compensation	–	–	–	–	–	8,468	–	–	8,468	–	8,468
Total transactions with equity holders	94,718	633,246	–	(154,757)	–	8,468	–	–	581,675	–	581,675
Balance at 30 June 2010 (Unaudited)	372,944	1,586,891	633	–	133,609	8,468	2,053	(546,812)	1,557,786	80,836	1,638,622

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Attributable to equity holders of the Company									
	Share capital	Share Premium	Statutory surplus reserve	Available-for-sale investment reserve	Share-based compensation reserve	Translation reserve	Accumulated Losses	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2011 (Audited)	392,244	1,787,044	1,233	624,831	41,812	21,144	(600,693)	2,267,615	82,298	2,349,913
Comprehensive income										
Profit/(Loss) for the period	–	–	–	–	–	–	466,189	466,189	(7,713)	458,476
Other comprehensive income										
Exchange differences arising on translation of foreign operation	–	–	–	–	–	54,635	–	54,635	31,165	85,800
Change in fair value gain on available-for-sale investments *(note 14)*	–	–	–	(264,085)	–	–	–	(264,085)	–	(264,085)
Deferred tax impact on available-for-sale investments	–	–	–	88,525	–	–	–	88,525	–	88,525
Release of deferred tax upon step acquisitions	–	–	–	125,559	–	–	–	125,559	–	125,559
Release of available-for-sale investment reserve upon step acquisitions	–	–	–	(513,243)	–	–	–	(513,243)	–	(513,243)
Total other comprehensive (loss)/income for the period	–	–	–	(563,244)	–	54,635	–	(508,609)	31,165	(477,444)
Total comprehensive (loss)/ income for the period	–	–	–	(563,244)	–	54,635	466,189	(42,420)	23,452	(18,968)
Transactions with equity holders										
Acquisition of subsidiaries *(note 22)*	–	–	–	–	–	–	–	–	2,058,253	2,058,253
Issue of shares *(note 18(a))*	143,298	1,432,981	–	–	–	–	–	1,576,279	–	1,576,279
Share-based compensation	–	–	–	–	2,707	–	–	2,707	–	2,707
Total transactions with equity holders	143,298	1,432,981	–	–	2,707	–	–	1,578,986	2,058,253	3,637,239
Balance at 30 June 2011 (Unaudited)	535,542	3,220,025	1,233	61,587	44,519	75,779	(134,504)	3,804,181	2,164,003	5,968,184

The statutory surplus reserve represents general reserve funds appropriated from the profit after tax of a subsidiary established in the People's Republic of China (the "PRC") in accordance with the PRC laws and regulations.

The notes on pages 8 to 23 form an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2011	2010
	HK$'000 (Unaudited)	*HK$'000* (Unaudited)
Net cash used in operating activities	(59,913)	(2,537)
Cash flows from investing activities		
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	482,964	—
Proceeds from disposal of financial assets at fair value through profit or loss	6,745	—
Interest received	1,554	28
Proceeds from disposal of property, plant and equipment	32	4
Purchase of available-for-sale investments	—	(380,970)
Purchases of property, plant and equipment	(16,813)	(8,865)
Net cash generated from/(used in) investing activities	474,482	(389,803)
Cash flows from financing activities		
Proceeds from borrowings	10,298	12,000
Additional finance lease	10,044	1,825
Proceeds from issuance of ordinary shares	—	505,950
Expenses on issuance of ordinary shares	—	(9,444)
Repayment of borrowings	(9,510)	(8,017)
Repayment of obligations under finance leases	(2,765)	(1,135)
Interest paid	(528)	(600)
Finance lease charges	(300)	(104)
Net cash generated from financing activities	7,239	500,475
Net increase in cash and cash equivalents	421,808	108,135
Cash and cash equivalents at beginning of the period	135,590	16,758
Effects of foreign exchange rate changes	7,712	(459)
Cash and cash equivalents at end of the period, represented by		
Bank balances and cash	565,110	124,434

The notes on pages 8 to 23 form an integral part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL

Wah Nam International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") principally engage in the exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC; in the provision of limousine rental and airport shuttle bus services in Hong Kong and the PRC; in the acquisition, exploration and development of mineral tenements in Australia; and in the investment in equity securities.

The Company is a public limited company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Australian Securities Exchange (the "ASX"). The Company was officially admitted to ASX on 7 January 2011 and the trading commenced on 11 January 2011. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

This condensed consolidated financial information is presented in thousands of Hong Kong dollar ("HK$'000"), unless otherwise stated. This condensed consolidated financial information was approved for issue by the Board of Directors on 30 August 2011. This condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale investments and financial assets and financial liabilities at fair value through profit or loss.

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2010, as described on those annual financial statements.

(i) Exploration and evaluation costs

The Group has a policy of expensing all exploration and evaluation expenditures, except for acquisition of tenement costs, in the financial year in which they are incurred, unless their recoupment out of revenue to be derived from the successful development of the prospect, or from sale of that prospect, are assured beyond reasonable doubt.

(ii) Interest in Joint Ventures

The Group's interest in joint ventures is accounted for by recognising the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

The Group's interest in joint ventures as jointly controlled entities is accounted for using proportionate consolidation. Proportionate consolidation means that the consolidated balance sheet of the Group includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The consolidated income statement of comprehensive income of the Group includes its share of the income and expenses of the jointly controlled entity.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for the intangible assets recognised in relation to the mineral assets is provided on the basis of units of production and starts when commercial production commences. Amortisation for the remaining intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

In preparing this condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010, with the exception of the estimates for determining the purchase price allocation of the acquisition of Brockman Resources Limited (the "Brockman").

(a) New and amended standards adopted by the Group

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2011.

- IAS 24 (Revised), "Related Party Disclosures" introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

  — The name of the government and the nature of their relationship;

  — The nature and amount of any individually significant transactions; and

  — The extent of any collectively-significant transactions qualitatively or quantitatively.

  It also clarifies and simplifies the definition of a related party. This amendment has no material impact to the Group's financial information.

- Amendment to IAS 34 "Interim Financial Reporting" emphasises the existing disclosure principles in IAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

(b) Amendments and interpretations to existing standards that are effective for the financial year beginning 1 January 2011 but not relevant to the Group

- Amendment to IAS 32 "Classification of Rights Issues" is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

- Amendment to IFRIC — Int 14 "Prepayments of a Minimum Funding Requirement" is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.

- IFRIC – Int 19 "Extinguishing Financial Liabilities with Equity Instruments" is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

- Third improvements to International Financial Reporting Standards (2010) were issued in May 2010 by IASB, except for amendment to IAS 34 "Interim Financial Reporting" as disclosed in note 3(a) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

3 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(c) New standards and amendments to standards that are not yet effective and have not been early adopted by the Group

		Effective for annual periods beginning on or after
IAS 1 (Amendment)	Presentation of Financial Statements	1 July 2012
IAS 12 (Amendment)	Income Taxes	1 January 2012
IAS 19 (Amendment)	Employees Benefits	1 January 2013
IFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
IFRS 7 (Amendment)	Disclosure — Transfer of Financial Assets	1 July 2011
IFRS 9	Financial Instruments	1 January 2013
IFRS 10	Consolidated Financial Statements (and IAS 27 (as amended in 2011) is renamed "Separate Financial Statements")	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurements	1 January 2013

The impact of adoption of these new/revised standards, amendments to standards and interpretations to existing standards in future periods is not currently known or cannot be reasonably estimated.

4 REVENUE

Revenue represents the amounts received and receivable for providing limousine rental and airport shuttle bus services and sales of mineral ore products for the six months ended 30 June 2011. An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000 (unaudited)	*HK$'000* (unaudited)
Income from limousine rental services	53,191	44,885
Income from airport shuttle bus services	7,032	6,889
Sales of copper, lead and zinc ore concentrates	7,761	3,415
	67,984	55,189

5 SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed and used by the executive directors for strategic decision making.

As a result of the acquisition of subsidiary as described in note 22, a new operating segment, namely, mineral tenements, is formed and the Group's operating segments now comprise the followings:

Limousine rental services	—	provision of limousine rental services in both Hong Kong and the People's Republic of China ("PRC")
Airport shuttle bus services	—	provision of airport shuttle bus services in Hong Kong
Mining operation	—	exploitation, processing and sales of copper, zinc and lead ore concentrates in the PRC
Mineral tenements	—	mineral exploration and tenements acquisition in Australia
Others	—	investment in equity securities

5 SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

	Six months ended 30 June 2011					
	Limousine rental services	Airport Shuttle bus services	Mining operation	Mineral tenements	Others	Total
	HK$'000 (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Segment revenue from external customers	53,191	7,032	7,761	—	—	67,984
Segment results	868	112	(4,578)	(16,241)	494,390	474,551
Unallocated income						20,667
Unallocated expenses						(35,996)
Finance costs						(828)
Profit before income tax						458,394
Other information:						
Depreciation of property, plant and equipment	(7,472)	(2)	(1,683)	(26)	(145)	(9,328)
Amortisation of intangible asset	(523)	(278)	—	—	—	(801)
Amortisation of mining right	—	—	(4,321)	—	—	(4,321)
Finance cost	(754)	(74)	—	—	—	(828)
Income tax credit/(expense)	202	(120)	—	—	—	82

	Six months ended 30 June 2010					
	Limousine rental services	Airport Shuttle bus services	Mining operation	Mineral tenements	Others	Total
	HK$'000 (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Segment revenue from external customers	44,885	6,889	3,415	—	—	55,189
Segment results	1,741	588	(156,400)	—	—	(154,071)
Unallocated income						21
Unallocated expenses						(15,402)
Finance costs						(3,286)
Loss before income tax						(172,738)
Other information:						
Depreciation of property, plant and equipment	(5,659)	(2)	(1,599)	—	(168)	(7,428)
Impairment of mining right	—	—	(153,000)	—	—	(153,000)
Amortisation of intangible asset	(523)	(278)	—	—	—	(801)
Amortisation of mining right	—	—	(1,257)	—	—	(1,257)
Finance costs	(606)	(98)	—	—	(2,582)	(3,286)
Income tax expense	(264)	—	—	—	—	(264)

5 SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets by operating segment as at the respective balance sheet dates:

	30 June 2011					
	Limousine rental services	Airport shuttle bus services	Mining operation	Mineral tenements	Others	Total
	HK$'000 (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Segment assets	115,519	25,933	925,882	6,503,672	308,055	7,879,061
Unallocated assets						102,065
Total assets						7,981,126
Total segment assets include:						
Additions of property, plant and equipment arising from acquisition of subsidiary	—	—	—	2,325	—	2,325
Additions of property, plant and equipment during the period	13,873	—	2,938	—	2	16,813
Additions of intangible assets arising from acquisition of subsidiary	—	—	—	5,955,062	—	5,955,062

	31 December 2010					
	Limousine rental services	Airport shuttle bus services	Mining operation	Mineral tenements	Others	Total
	HK$'000 (Audited)	*HK$'000* (Audited)	*HK$'000* (Audited)	*HK$'000* (Audited)	*HK$'000* (Audited)	*HK$'000* (Audited)
Segment assets	109,555	26,486	905,272	—	1,553,570	2,594,883
Unallocated assets						120,598
Total assets						2,715,481
Total segment assets include:						
Additions of property, plant and equipment during the period	18,331	—	2,100	—	—	20,431
Additions of available-for-sale investments	—	—	—	—	572,989	572,989

6 EXPENSES BY NATURE

	Six months ended 30 June 2011 HK$'000 (unaudited)	Six months ended 30 June 2010 HK$'000 (unaudited)
Cost of inventories	3,269	1,309
Amortisation of intangible asset (included in direct costs)	801	801
Amortisation of mining right (included in direct costs)	4,321	1,257
Depreciation of property, plant and equipment	9,328	7,428
Staff costs *(note)*	22,704	19,255
Operating lease rentals in respect of office premises	2,826	1,530
Loss on disposal of property, plant & equipment	238	170
Motor vehicles rental charges	12,713	10,410
Professional fees for takeover bids	22,806	—

Note:

Staff costs include:

	Six months ended 30 June 2011 HK$'000 (unaudited)	Six months ended 30 June 2010 HK$'000 (unaudited)
Directors' emoluments	1,224	952
Retirement benefit scheme contributions	717	834
Share-based compensation	745	1,768
Other staff costs	20,018	15,701
	22,704	19,255

7 OTHER GAINS/(LOSSES), NET

	Six months ended 30 June 2011 HK$'000 (unaudited)	Six months ended 30 June 2010 HK$'000 (unaudited)
Unrealised loss on financial assets at fair value through profit or loss	—	(210)
Release of available-for-sale investments reserve upon step acquisitions *(note)*	513,243	—
	513,243	(210)

Note:

Upon the completion of step acquisition of Brockman, the cumulative gain of avaliable-for-sale investments of HK$513,243,000 recognised in the avaliable-for-sale investment reserves had been released to the income statement.

8 FINANCE COSTS

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Effective interest expense on convertible notes	—	2,582
Interest on bank borrowings wholly repayable within five years	528	600
Interest on obligation under finance leases	300	104
	828	3,286

9 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current income tax:		
Hong Kong Profits Tax		
Current period	307	742
Under provision in prior periods	12	—
Deferred income tax:		
Origination and reversal of temporary differences	(401)	(478)
	(82)	264

Hong Kong Profits Tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the period.

No provision for PRC Enterprise Income Tax has been made as the Company's subsidiary established in PRC has no assessable profits arising in PRC during the period (2010: Nil).

No provision for Australian Income Tax has been made as the Company's subsidiaries established in Australia has no assessable profits arising in Australia during the period (2010: Nil).

10 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended 30 June	
	2011	2010
	(unaudited)	(unaudited)
Profit/(Loss) for the period attributable to the equity holders of the Company *(HK$'000)*	466,189	(157,363)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating the basic earnings/(loss) per share *(thousands)*	4,259,313	2,823,328
Adjustment of share options *(thousands)*	4,377	2,703
Weighted average number of ordinary shares for the purpose of calculating the diluted earnings/(loss) per share *(thousands)*	4,263,690	2,826,031
Earnings/(Loss) per share attributable to the equity holders of the Company		
Basic *(HK cents)*	10.95	(5.58)
Diluted *(HK cents)*	10.93	N/A

For the period ended 30 June 2010, the effect of assumed conversion of the convertible notes and the share options of the Company was anti-dilutive.

11 MINING RIGHT

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Balance as at 1 January	850,616	980,568
Amortisation during the period	(4,930)	(2,847)
Impairment loss	—	(153,000)
Exchange difference	20,109	10,950
Balance as at 30 June	865,795	835,671

In the opinion of directors, there was no indication of impairment arising from the review of the mining right as at 30 June 2011, on the basis that the market copper ore concentrate price and the demand for copper in the PRC remain strong.

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group acquired assets with a cost of HK$19,138,000 (six months ended 30 June 2010: HK$8,865,000), including assets acquired through business combination of HK$2,325,000 (six months ended 30 June 2010: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13 INTANGIBLE ASSETS

	Six months ended 30 June	
	2011	2010
	HK$'000 (unaudited)	*HK$'000* (unaudited)
Balance as at 1 January	11,217	12,819
Acquisition of subsidiaries *(note 22)*	5,955,062	—
Amortisation during the period	(801)	(801)
Exchange difference	84,965	—
Balance as at 30 June	6,050,443	12,018

14 AVAILABLE-FOR-SALE INVESTMENTS

	Six months ended 30 June	
	2011	2010
	HK$'000 (unaudited)	*HK$'000* (unaudited)
Balance as at 1 January	1,545,224	309,929
Additions	—	380,970
Fair value (loss)/gain recognised in equity	(264,085)	16,790
Reclassification to investments in subsidiaries *(note 22)*	(973,152)	—
Balance as at 30 June	307,987	707,689
Listed investments		
— Equity securities listed in Australia	307,987	707,689

The fair values of available-for-sale investments presented on the condensed consolidated balance sheet were determined based on their current bid price in an active market. All of them were classified as level 1 under IFRS 1 (Amendment).

On 15 December 2010, the Group lodged a takeover offer to acquire all of the outstanding shares of FerrAus Limited ("FRS") that the Group has not already owned, through an all-scrip bid (the "Takeover Bid"). FRS is a company listed on ASX. On 27 June 2011, an announcement was published by FRS in relation to the proposed asset acquisition and placement transactions to Atlas Iron Limited. As a result of the announcement by FRS, the Group has relied on the defeating conditions and the takeover offer for FRS to lapse by 15 July 2011.

15 TRADE RECEIVABLES

The Group's credit terms granted to customers of limousine rental and airport shuttle bus services range between 60 days and 90 days. Before accepting any new customers, the Group will understand the potential customer's credit quality and approve its credit limits. Credit limits attributed to customers are reviewed regularly.

The ageing analysis of the trade receivables, based on invoice date at respective balance sheet dates are as follows:

	30 June 2011	31 December 2010
	HK$'000 (unaudited)	*HK$'000* (Audited)
0 — 30 days	10,966	11,061
31 — 60 days	7,631	10,017
61 — 90 days	3,217	5,246
Over 90 days	3,471	3,689
	25,285	30,013

16 TRADE PAYABLES

The ageing analysis of trade payables, based on invoice date at respective balance sheet dates are as follows:

	30 June 2011	31 December 2010
	HK$'000 (unaudited)	*HK$'000* (Audited)
0 — 30 days	3,706	6,273
31 — 60 days	2,138	2,332
61 — 90 days	1,133	1,411
Over 90 days	1,444	2,334
	8,421	12,350

17 BANK BORROWINGS

During the six months ended 30 June 2011, the Group renewed the bank loans and received the proceeds amounting to HK$10,298,000 (30 June 2010: HK$12,000,000). The loans carry interest at variable market rate of 1.75% to 3.25% over 1 month HIBOR per annum and are repayable on demand. The proceeds were used to finance the acquisition of property, plant and equipment.

The Group has undrawn banking facilities of approximately HK$9,200,000 as at 30 June 2011 (31 December 2010: HK$12,378,000).

As at 30 June 2011, guarantees have been given to a bank by the Company and a related party of subsidiary's former shareholder with no charge in respect of banking facilities extended to the subsidiary jointly. These amounted to approximately HK$75,200,000 and HK$38,000,000 respectively (31 December 2010: HK$75,200,000 and HK$38,000,000 respectively).

18 SHARE CAPITAL

	Number of shares '000 (Unaudited)	Share capital HK$'000 (Unaudited)
Ordinary shares of HK$0.10 each		
Authorised		
As at 1 January 2011 and 30 June 2011	10,000,000	1,000,000
Issued and fully paid		
As at 1 January 2011	3,922,435	392,244
Issue of shares in consideration for the acquisition of a subsidiary *(note a)*	1,432,981	143,298
As at 30 June 2011	5,355,416	535,542

Note:

(a) On 16 June 2011, the Group completed the acquisition of an additional 32.99% equity interest in Brockman by allotment and issue of 1,432,980,840 ordinary shares of HK$0.1 each per share as consideration for the acquisition. The share issued ranked pari passu with then existing shares in issue in all respects. Details of business combination are disclosed in note 22.

(b) Pursuant to a subscription on 29 December 2010, a total of 15,000,000 ordinary shares were issued at an issue price of Australian Dollar ("A$") 0.20 per share. Each share issued is attached with one free share option, with the exercise price being A$0.20, and is listed on ASX commencing 7 January 2011. None of the options has been exercised or cancelled during the current period. The option is expiring on 30 September 2014.

19 SHARE OPTION SCHEMES

Share option scheme of the Company

The share option scheme (the "Share Option Scheme") of the Company was adopted by the Company pursuant to the written resolutions of the sole shareholder passed on 14 August 2002.

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to employee share-based compensation reserve, over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

On 18 January 2010, 11 February 2010 and 11 November 2010, the Company granted 9,000,000, 27,000,000 and 39,000,000 share options to the eligible persons including the directors, at the exercise price of HK$1.164 per share, HK$1.24 per share and HK$2.00 per share respectively. Each share option gives the holder the right to subscribe one ordinary share of the Company. None of the options has been exercised or cancelled during current period.

19 SHARE OPTION SCHEME *(Continued)*

The following discloses movements of the Company's share option during the period:

	Option type	Outstanding as at 1 January 2011 and 30 June 2011
Directors		
Luk Kin Peter Joseph	2010C	39,000,000
Chan Kam Kwan, Jason	2010A	1,500,000
Lau Kwok Kuen, Eddie	2010A	1,000,000
Uwe Henke Von Parpart	2010A	1,000,000
Yip Kwok Cheung, Danny	2010A	1,000,000
Sub-total		43,500,000
Employees	2010A	4,500,000
Consultants	2010B	27,000,000
Total		75,000,000

The fair values of the 2010A, 2010B and 2010C share options were calculated using the Binomial model prepared by an independent valuer. The inputs into the model were as follows:

	2010A	2010B	2010C
Exercise price	HK$1.164	HK$1.24	HK$2.00
Volatility	83%	82%	55%
Expected option life	4 years	4 years	3 years
Annual risk-free rate	1.46%	1.502%	0.570%
Expected Dividend yield	0%	0%	0%

The Company recognised the total expense of HK$2,707,000 for the period ended 30 June 2011 (2010: HK$8,468,000) in relation to the share options granted by the Company.

As at the date of this report, 500,000 of these options have lapsed and the total number of shares available for issue under the share option scheme is 314,943,548 shares which represent 5.88% of the issued share capital of the company.

Share option scheme of Brockman

An employee share option plan ("Brockman Employee Share Option Plan") was adopted by the Board of Directors of Brockman, a subsidiary of the Company, on 26 August 2008. There were 4,900,000 options outstanding as at 30 June 2011 which have an exercise price in the range of A$1.25 to A$5.85.

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person of Brockman) have been altered or modified by the issuing entity during the reporting period or the prior period other than where employee options have been exercised utilising the Employee Loan Scheme ("ELS") as approved by shareholders of Brockman at the November 2008 Annual General Meeting of Brockman. Under the terms of the ELS Brockman retains security over the Loan shares until the associated loan amount and related interest is repaid. Interest is charged on the loans at statutory rates. At 30 June 2011 5,166,112 Loan shares remained under the ELS. Due to the limited recourse nature of the ELS the Loan, accrued interest and the Loan shares contribution to equity are not recorded.

20 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

As at 30 June 2011, the Group had commitments mainly for future minimum lease payments under non-cancellable operating lease in respect of office premises, car parks, and counters in the international airport in Hong Kong which falls due as follows:

	30 June 2011	31 December 2010
	HK$'000 (Unaudited)	*HK$'000* (Audited)
Not later than 1 year	7,354	4,926
Later than 1 year and no later than 5 years	4,755	1,654
	12,109	6,580

Leases are negotiated for an average of two years and rentals are fixed for the lease period.

(b) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	30 June 2011	31 December 2010
	HK$'000 (Unaudited)	*HK$'000* (Audited)
Property, plant and equipment		
Contracted but not provided for	5,950	8,152

(c) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements in Australia, the Group is required to perform minimum exploration work to meet the minimum expenditure of A$1,412,000 (equivalent to approximately HK$11,804,000) over the next twelve months.

Exploration expenditure commitments for subsequent years are contingent upon future exploration results. Obligations are subject to change upon expiry of the exploration leases or when leases or when application for a mining lease is made and have not been provided for in the consolidated financial statements.

(d) Joint venture commitments

The Group is involved in a number of joint venture arrangements. The Group's share of this commitment is A$820,000 (equivalent to approximately HK$6,885,000).

(e) Contingencies

Native title claims have been made with respect to areas which include tenements in which controlled entities of Brockman have interests, and these controlled entities are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect them or their projects.

21 PLEDGE OF ASSETS

At 30 June 2011, the Group pledged the motor vehicles with a carrying value of approximately HK$13,167,000 (31 December 2010: HK$15,093,000) to secure general banking facilities granted to a subsidiary of the Company.

Also, at 30 June 2011, a subsidiary of the Company has entered into arrangements with its bank to provide guarantees to its lessor and the Department of Mines and Petroleum. The arrangements were supported by term deposits for the amounts of A$322,000 (equivalent to approximately HK$2,692,000) (31 December 2010: Nil) which were considered restricted cash and classified under non-current assets.

22 BUSINESS COMBINATION

Prior to the commencement of the takeover bid, the Group was a substantial shareholder of Brockman, holding 32,347,405 ordinary shares, representing 22.34% of the entire issued and paid up capital in Brockman. On 16 June 2011, the Group completed the acquisition of an additional 32.99% equity interest in Brockman by allotment and issue of 1,432,980,840 ordinary shares as consideration for the acquisition and control over Brockman passed to the Group on the same date. This acquisition has been accounted for using the acquisition method, as shown below:

	HK$'000 (unaudited)
Consideration transferred *(note a)*	2,549,431
Plus: Non-controlling interests *(note b)*	2,058,253
Less: Net identifiable assets acquired *(note c)*	(4,607,684)
	–

Notes:

(a) The consideration for the acquisition comprises the following:

	HK$'000 (unaudited)
Consideration shares *(note i)*	1,576,279
Fair value of previously held interest in Brockman *(note ii)*	973,152
Total consideration	2,549,431

Notes:

(i) The fair value of the 1,432,980,840 ordinary shares issued by the Company has been determined using the opening share price of the Company as at 16 June 2011. The issue of shares represents a major non-cash transaction of the Company for the period.

(ii) The previously held interest of 22.34% in Brockman held by the Group prior to the completion of acquisition was recognised as available-for-sale investments. The fair value has been re-measured as HK$973,152,000, using the opening share price of Brockman as at 16 June 2011. The cumulative fair value gain recognised in the available-for-sale investments reserve of HK$513,243,000 has been released to the income statement as "Other gains/(losses), net" *(note 7).*

(b) Non-controlling interests are measured at the non-controlling interests' proportionate share (44.67%) of the fair value of net identifiable assets acquired at the date of acquisition.

22 BUSINESS COMBINATION *(Continued)*

(c) Recognised amounts of identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

	Provisional fair value *HK$'000* (unaudited)
Plant and equipment	2,325
Intangible assets *(note)*	5,955,062
Cash and bank balance	482,964
Other receivables	14,717
Other payables	(57,576)
Provision for employee benefits	(3,289)
Deferred tax liabilities	(1,786,519)
Net identifiable assets acquired	4,607,684

Note:

Intangible assets, being the mineral assets comprising the exploration projects in Australia, including the Marillana project and other explorations projects undertaken by Brockman, were valued as of date of acquisition with reference to the advice obtained from an independent valuer. The fair value of the intangible assets is provisional.

The fair value of Marillana project was estimated by applying discounted cash flow approach. Key assumptions adopted are summarised as follows:

Estimated mine life	25 years from 2014 to 2028
Production capacity	17 Million Tonne per year
Price forecast (Per Dry Metric Tonne unit, dmtu)	2011: US¢172.00 per dmtu 2012: US¢149.55 per dmtu 2013: US¢133.35 per dmtu 2014: US¢136.50 per dmtu 2015 to 2028: US¢136.50 per dmtu
Discount rate	13.7%

(d) The acquisition-related costs of the above transaction amounting to HK$22,806,000 have been excluded from the consideration transferred and have been recognised as an expense in the condensed consolidated statement of comprehensive income (included in administrative expenses) in the current period.

(e) The acquired business contributed to net loss of HK$16,241,000 for the period from 16 June 2011 to 30 June 2011 to the condensed consolidated statement of comprehensive income. If the acquisition had occurred on 1 January 2011, consolidated loss for the six months ended 30 June 2011 would have been HK$197,256,000.

23 JOINT VENTURES

Details of the Group's interest in joint ventures are as follows:

Name of joint venture	Interest held in share of output	Principal activities
North West Infrastructure Pty Ltd *(note a)*	33.3%	Port and related infrastructure
Irwin-Coglia JV *(note b)*	40%	Nickel exploration

Notes:

(a) North West Infrastructure Pty Ltd is a jointly controlled entity incorporated in Australia which is seeking to develop port and related infrastructure on behalf of the North West Iron Ore Alliance ("NWIOA") members. All contributions to the NWIOA are expensed as incurred as part of exploration expenditure.

(b) Irwin-Coglia is an unincorporated joint venture operating in Australia for the purpose of exploration activities and holding of tenement interests.

24 RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this unaudited condensed consolidated financial information, the following transactions were carried out with related parties:

(a) Period/Year-end balances

The amounts due from/to related parties/companies included as current assets or current liabilities are unsecured, interest-free and repayable on demand. For the amount due to a related party classified as a non-current liability, it is unsecured, interest-free and is not repayable within the next twelve months.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000 (unaudited)	*HK$'000* (unaudited)
Short-term employee benefits	3,632	3,102
Share-based compensation expenses	703	1,668
	4,335	4,770

25 INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: Nil).

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF WAH NAM INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 23, which comprises the condensed consolidated balance sheet of Wah Nam International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2011 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 August 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Financial Highlights

The consolidated revenue of the Group for the six months ended 30 June 2011 increased by 23.2% to approximately HK$68.0 million as compared to the corresponding period last year (2010: HK$55.2 million), of which approximately HK$60.2 million (2010: HK$51.8 million) was contributed by the provision of limousine rental and airport shuttle bus services and approximately HK$7.8 million (2010: HK$3.4 million) was contributed by the sales of copper ore concentrates. As at 30 June 2011, the Group's net asset value amounted to HK$5,968.2 million (31 December 2010: HK$2,350.0 million) and cash and bank balances, including restricted cash, amounted to HK$570.3 million (31 December 2010: HK$140.8 million).

Profit attributable to equity holders of the Company amounted to HK$466.2 million for the period, representing a significant turnover from the HK$157.4 million loss reported in the same period last year, mainly attributable to the gain arisen from the accounting treatment as a result of the business combination. Basic earnings per share for the six months were HK10.95 cents, improved significantly from a loss per share of HK5.58 cents in last year's corresponding period.

The Takeover Offers

Wah Nam International Australia Pty. Ltd. ("Wah Nam Australia"), a wholly-owned subsidiary of the Company, lodged two takeover offers simultaneously to acquire all of the outstanding shares of Brockman Resources Limited ("Brockman") and FerrAus Limited ("FerrAus") (ASX: FRS) that the Group (i.e. the Company and its subsidiaries) did not already own, through all-scrip bids ("Takeover Offers"). The respective bidder's statements were lodged and despatched on 15 December 2010, marking the official commencement of the Takeover Offers.

On 16 June 2011, Wah Nam Australia has successfully accumulated a total of 55.33% equity interest in Brockman, thus Brockman has become a subsidiary of the Company on that date. As a result of the takeover offer to Brockman shares, a total of 1,432,980,840 ordinary shares of the Company have been issued and allotted to the Brockman shareholders (representing approximately 32.99% of the equity interest of Brockman) who have accepted the offer. Mr. Warren Beckwith (a director of Wah Nam Australia) and Mr. Hendrianto Tee (Chief Investment Officer of the Company) were appointed as non-executive directors to Brockman board. A joint Brockman and Company release to the Australian Securities Exchange was made on 17 June 2011 confirming commitment to Brockman's existing business strategy to develop Marillana Project as a significant, a viable iron ore project.

The takeover offer for Brockman was declared unconditional during May 2011, followed by payment of consideration in batches. All relevant consideration shares for the Brockman takeover offer were issued during this period. In the consolidation of the Company and Brockman, the board looks forward to synergize all the available expertise for the benefit of progressing with the projects, in particular the Marillana Project, in a timely manner.

On 27 June 2011, an announcement was published by FerrAus in relation to the proposed Asset Acquisition and Placement transactions to Atlas Iron Limited ("Atlas"). The proposed Asset Acquisition involves the acquisition of the South East Pilbara iron ore assets from Atlas by FerrAus for 121,846,154 FerrAus shares at a deemed issue price of A$0.65 per share; and the Placement transaction involves the subscription by Atlas of 37,439,785 FerrAus shares at an issue price of A$0.65 per share to raise A$24.3 million for FerrAus. At the completion of Asset Acquisition and Placement transactions which require FerrAus shareholders' approval, Atlas will bid for remaining FerrAus shares that it does not own with an offer of 1 Atlas share for every 4 FerrAus shares. As a result of the announcement by FerrAus, Wah Nam has relied on the defeating conditions and caused the takeover offer for FerrAus to lapse by 15 July 2011. As a 16.4% shareholder in FerrAus, the Company has expressed its objection to the proposed Asset Acquisition and Placement transactions.

On 29 August 2011, FerrAus made an announcement in relation to the result of the company's shareholders General Meeting, which passed the resolutions for the Asset Acquisition and Placement. As a result, the Company's holding in FerrAus will be diluted to 10.01% following the issuance of shares by FerrAus for the purpose of Asset Acquisition and Placement.

Limousine rental services and airport shuttle bus services business

The limousine rental and airport shuttle bus services segments are operated by Parklane Limousine Service Limited and Airport Shuttle Services Limited, both operations are wholly owned by Perryville Group Limited (collectively the "Perryville Group").

The financial performance of Perryville Group, which marked the results of our limousine rental and airport shuttle bus operations, contributed approximately 88.6% of the overall revenue of the Group. Revenue for the six months ended 30 June 2011 amounted to HK$60.2 million (2010: HK$51.8 million), an increment of approximately 16.2% when compared to last corresponding period. The increase was attributed to the surging demand for limousine rental services in both Hong Kong and PRC, resulting from the booming travel industry in these areas during the current period. The increase however, was partially offset by higher fuel consumption and staff costs due to inflationary pressures in the first half of 2011. The segment pre-tax profit for the six months narrowed to HK$1.0 million from HK$2.3 million in the last corresponding period.

We will continue to monitor the situation and formulate the best business strategy so as to optimize our overall profit margin.

Mining Operation

Luchun Xingtai Mining Co. Limited

The Group's mining business mainly comprises the exploitation, processing and sales of copper, lead, zinc, arsenic, silver and other mineral resources, through a 90% owned subsidiary of the Company, Luchun Xingtai Mining Co., Ltd. ("Luchun Xingtai").

Production and operation results for the financial period were summarised as follows:

	Six months ended 30 June 2011	Six months ended 30 June 2010
Copper ore processed	10,893 tonnes	20,356 tonnes
Production of Copper Ore Concentrates	61 Metal (t)	125 Metal (t)
Sales of Copper Ore Concentrates	143 Metal (t)	74 Metal (t)
Average selling price per Metal (t) (without VAT)	RMB49,300	RMB40,500

During the period, Luchun Xingtai has contributed revenue of approximately HK$7.8 million (2010: HK$3.4 million), and the loss before amortisation and impairment of mining right was approximately HK$0.3 million (2010: HK$2.1 million). The production volume of copper ore concentrates was approximately 61 metal tonnes (2010: 125 metal tonnes) and sales of the copper ore concentrates was approximately 143 metal tonnes (2010: 74 metal tonnes).

The cost of sales of the mining segment mainly includes mining, processing and refining cost, ore transportation costs and waste disposal costs.

Total expenditure associated with the mining operation during the period amounted to approximately HK$8.0 million (2010: HK$5.6 million).

In February 2011, the Yunnan provincial power plant had implemented an electric power brownout over our mining site for purpose of installing and rerouting of power supply from the power station to our mine site to facilitate the power transmission, ultimately to upgrade and increase the supply capacity. As a result, only 200 kilo-watts were being transmitted daily to our mining site, far below the specified operating range of our ore processing plant. Production of copper ore was therefore halted during the period of electric power cutback from February 2011 onwards. According to the latest notice from the provincial electricity supply company, the installation works has been delayed and targeted to be completed by end of August 2011 due to the rainy season in the area of Damajianshan. Since it is the Group's plan to continue to focus on exploration activities this year, the temporary disruption of power supply will not cause material impact to our overall production plan during the year. Moreover, as the revenue contributed by the Damajianshan mine only represents a minor portion of the Group's overall income, the management does not consider the temporary decrease in revenue in our mining operation will have material impact to the Group's overall financial position. The management expects that our production will be resumed back to normal by early of September 2011.

The Company has also invested in a set of new crushing and screening machines with better crushing strength to enhance production and reduce spoilage. The entire installation process has been completed and taking into account the upgraded and increased electric power supply capacity in the future, the management believes that our future production capacity can be significantly improved in the long run.

During the period, an environmental and safety assessment has been carried out and a defined written code on safety measures have been compiled to keep miners aware of the all possible danger spots in the mine and the plant. The mine safety analysis will serve as guideline for improving the mining design to enhance occupation safety for workers.

Brockman Resources Limited

Marillana Project Activities

Total expenditure associated with the mineral exploration operation for the period from date of acquisition to 30 June 2011 amounted to approximately HK$17.4 million.

The Bankable Feasibility Study (BFS) is progressing with the assistance of Evans and Peck, and remains on schedule for completion in Q4 2011. Brockman has continued consolidating the detailed inputs for the Marillana Project BFS and the detailed project schedule has undergone strategic internal review to incorporate the updated Project timeline based on the latest Front End Engineering Design (FEED) engineering, procurement and estimating outcomes. Brockman is targeting to commence early site establishment works in Q4 2011. Dependant on all project construction approvals being in place, the updated overall construction program is currently indicating the process plant will be completed in Q2 2014. UGL Resources Pty Ltd (UGL) has continued to progress being the FEED stage in line with the target completion of BFS.

A formal tender process for the Project Management Contractor (PMC) will be commenced post-completion of FEED, with Brockman targeting an award by the end of Q4 2011 following the positive Financial Investment Decision (FID).

Outlook and likely future developments

The Group will maximize its efforts to move Marillana Project forward to become a producing iron ore mine. The transformation of Marillana Project from an exploration project to project implementation stage and ultimately to production stage will present a positive impact to the Group's overall performance.

The Group will continue to seek for acquisition opportunities on the resources sector. We intend to acquire quality mining assets from around the world to create a globally recognised resources company.

DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial information for the six months ended 30 June 2011.

DIRECTORS

The Directors of the Company during the six months ended 30 June 2011 and up to the date of this report were:

Name	Period of Directorship
Executive Directors:	
Luk Kin Peter Joseph *(Chairman)*	Director since 19 February 2009
Chan Kam Kwan, Jason	Director since 2 January 2008
Independent non-executive Directors:	
Lau Kwok Kuen, Eddie	Director since 14 December 2007
Uwe Henke Von Parpart	Director since 2 January 2008
Yip Kwok Cheung, Danny	Director since 5 August 2009

REVIEW OF OPERATIONS AND IMPORTANT EVENTS

A detailed review of the Group's operations, the results of those operations during the six months ended 30 June 2010 and likely future developments are given on pages 25 to 27. Important events that have occurred during the period are summarised as below:

On 7 January 2011, Wah Nam was admitted to the official list of ASX Limited, official quotation commenced on 11 January 2011.

On 15 June 2011, the BRM Offer was announced closed. Wah Nam in aggregate held 55.33% interests in BRM.

On 16 June 2011, Wah Nam nominated Mr. Hendrianto Tee and Mr. Warren Beckwith be the non-executive directors of BRM. BRM became a subsidiary of Wah Nam.

On 29 June 2011, as a result of the announcement by FerrAus in relation to the proposed asset acquisition and placement transactions to Atlas, the company announced the reliance of defeating condition and the FRS Offer was to lapse by 15 July 2011.

DIRECTORS' REPORT

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its short-term funding requirement with cash generated from operations, credit facilities from suppliers and banking facilities.

The current ratio as at 30 June 2011 measured at 4.26 times compared to 1.89 times as reported as at 31 December 2010. The gearing ratio as at 30 June 2011 (long-term debts over equity and long-term debts) is measured at 0.01 as compared to 0.01 recorded as at 31 December 2010. As at 30 June 2011, the Group has total bank and other borrowings amounted to approximately HK$54.5 million, all of which are secured, approximately HK$45.9 million was due within one year and the balance of HK$8.6 million was due in more than one year. All of the borrowings are denominated in Hong Kong dollars.

During the period, the Group did not engage in the use of any financial instruments for hedging purposes, and there was no hedging instrument outstanding as at 30 June 2011.

CAPITAL STRUCTURE

During the period, the Company has the following movement in the share capital:

(a) Pursuant to the acceptance under the BRM Offer (which was closed on 15 June 2011), a total of 1,432,980,840 ordinary shares were issued as consideration to the BRM Offer in batches.

As at 30 June 2011, the total number of issued shares outstanding for the Company amounts to 5,355,416,325 shares.

Shares Details
Shares on issue
As at 30 June 2011:
5,355,416,325 fully paid shares on issue
15,000,000 options quoted, expiring 30 September 2014

As at the date of the report:
5,359,279,403 fully paid shares on issue
15,000,000 options quoted, expiring 30 September 2014

Unquoted securities
As at 30 June 2011:
75,000,000 unlisted options granted

- 9,000,000 share options, expiring on 17 Jan 2014, exercise price HK$1.164
- 27,000,000 share options, expiring on 10 Feb 2014, exercise price HK$1.240
- 39,000,000 share options, expiring on 10 Nov 2013, exercise price HK$2.00

As at the date of the report:
500,000 unlisted options have lapsed and the total number of unlisted options outstanding is 74,500,000.

- 8,500,000 share options, expiring on 17 Jan 2014, exercise price HK$1.164
- 27,000,000 share options, expiring on 10 Feb 2014, exercise price HK$1.240
- 39,000,000 share options, expiring on 10 Nov 2013, exercise price HK$2.00

CHARGES OF ASSETS

As at 30 June 2011, motor vehicles with an aggregate carrying value of approximated HK$13,167,000 (31 December 2010: HK$15,093,000) were charged to secure general banking facilities granted to a subsidiary of the Company.

MARKET RISK

The Group is exposed to various types of market risks, including fluctuations in iron ore and copper ore concentrate price and exchange rates.

(a) Commodities Price risk

Copper ore concentrate price:

The Group's revenue and results of the mining business during the period, and the fair value of the Group's mining right was affected by fluctuations in the copper ore concentrate price. All of our mining products were sold at the market price.

Iron ore price:

The fair value of the Group's intangible assets arising from the acquisition were affected by fluctuations in the iron ore price.

We have not used any commodity derivative instruments or futures for speculation or hedging purpose. The management will review the market condition from time to time and determine the best strategy to deal with the fluctuation of iron ore and copper concentrate price.

(b) Exchange rate risk

The Group is exposed to exchange rate risk primarily because our available-for-sale investment is denominated in Australian dollars. Depreciation in Australian dollar may adversely affect our net asset value and earnings when the value of such investment is converted to Hong Kong dollars. During the period, no financial instrument was used for hedging purpose.

DIRECTORS' REPORT

STAFF AND REMUNERATION

As at 30 June 2011, the Group employed 482 full time employees (31 December 2010: 507), of which approximately 351 employees were in the PRC and 18 employees were in Australia. The remuneration of employees includes salary and discretionary bonus. The Group also adopted a share option scheme to provide incentives to the employees.

The remuneration policy and packages, including the share options, of the Group's employees, senior management and directors are maintained at market level and reviewed periodically by the management and the remuneration committee, whichever appropriate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2011, the interests and short positions of the directors and chief executives and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies were as follows:

Long positions of ordinary shares of HK$ 0.10 each of the Company

Name of Director	Capacity	Number of share options held	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Luk Kin Peter Joseph	Controlled Corporation *(Note)*	—	199,456,276	3.72%
		39,000,000	—	0.73%
Mr. Chan Kam Kwan, Jason	Direct	1,500,000	—	0.03%
Mr. Lau Kwok Kuen, Eddie	Direct	1,000,000	—	0.02%
Mr. Uwe Henke Von Parpart	Direct	1,000,000	—	0.02%
Mr. Yip Kwok Cheung, Danny	Direct	1,000,000	—	0.02%

Note: The 96,008,000 shares are held by Equity Valley Investments Limited, a company incorporated in the British Virgin Islands (the "BVI") with limited liability, and the entire issued share capital of which is wholly owned by Mr. Luk Kin Peter Joseph ("Mr. Luk") and 103,448,276 shares are held by Prideful Future Investments Limited, a company incorporated in the BVI with limited liability, and the entire issued share capital of which is wholly owned by Ms. Cheung Sze Wai, Catherine, the spouse of Mr. Luk.

Save as disclosed above, none of the Directors and chief executives, nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2011.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed in section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures", at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, was a party to any arrangements to enable the Directors of the Company and their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO show that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions in ordinary shares of HK$ 0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Ocean Line Holdings Limited *(Note 1)*	Beneficial owner	321,428,440	6.00%
Kwai Sze Hoi *(Note 1)*	Interest held by controlled corporations	321,428,440	6.00%
Cheung Wai Fung *(Note 1)*	Interest held by controlled corporations	321,428,440	6.00%
Leading Highway Limited *(Note 2)*	Beneficial owner	319,300,000	5.96%
Cheng Yung Pun *(Note 2)*	Interest held by controlled corporations	319,300,000	5.96%
Shimmer Expert Investments Limited *(Note 3)*	Beneficial owner	279,548,000	5.22%
Groom High Investments Limited *(Note 3)*	Interest held by controlled corporations	279,548,000	5.22%
Zhang Li *(Note 3)*	Interest held by controlled corporations	279,548,000	5.22%

Notes:

1. The 321,428,440 shares of the Company are held by Ocean Line Holdings Limited, which is held as to 60% by Kwai Sze Hoi and as to 40% by Cheung Wai Fung.

2. The 319,300,000 shares of the Company are held by Leading Highway Limited, which is wholly owned by Cheng Yung Pun.

3. The 279,548,000 shares of the Company are held by Shimmer Expert Investments Limited, a company wholly owned by Groom High Investments Limited, which is wholly owned by Zhang Li.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2011.

DIRECTORS' REPORT

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with its own code on corporate governance practices which incorporates all code provisions in the Code on Corporate Governance Practices (the "CGP Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2011, except with the following deviation:

Code Provision A.2.1

There was no separation of the role of chairman (the "Chairman") and chief executive officer (the "CEO"). Mr. Luk Kin Peter Joseph has been appointed as the Chairman of the Company on 16 February 2009 and has assumed the role of both the Chairman and the CEO of the Company. This structure was considered more suitable to the Company at this fast development stage because it could promote the efficient formulation and implementation of the Company's strategies.

As the Group's business becomes more diversified, the Board will review the needs of appointing suitable candidate to assume of the role of the Chairman or the CEO when necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry to all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2011.

AUDIT COMMITTEE

The audit committee comprises of three independent non-executive directors, Messrs. Lau Kwok Kuen, Eddie, Uwe Henke Von Parpart and Yip Kwok Cheung, Danny (the "Audit Committee"). Mr. Lau Kwok Kuen, Eddie is the Chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CGP Code. The Audit Committee has reviewed the Group's interim results for the six months ended 30 June 2011.

By Order of the Board

Luk Kin Peter Joseph
Chairman

Hong Kong, 30 August 2011

DIRECTORS' DECLARATION

The Company is incorporated in Bermuda under the Companies Act 1981 of Bermuda.

This declaration is made in accordance with a resolution of the Directors of the Company dated 30 August 2011.

In the Directors' opinion:

(a) The condensed consolidated financial information and notes set out on pages 3 to 23 are:

  (i) complying with International Accounting Standards 34 Interim Financial Reporting and the disclosure requirements of Hong Kong Companies Ordinance;

  (ii) giving a true and fair view of the Groups' financial position as at 30 June 2011 and of its performance for the six months ended on that date;

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Luk Kin Peter Joseph
Chairman

Hong Kong, 30 August 2011