

CWH Resources Ltd ACN 009 230 111  
(Formerly China West International Holdings Limited)

# Annual Financial Report – 30 June 2011

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**CHAIRMAN'S REPORT**  
**30 JUNE 2011**

Dear Shareholders,

On behalf of the Board of Directors, it is a pleasure to provide the shareholders an update on CWH Resources Ltd's ("the Company") progress over the last twelve months.

During the year, Queensland Government has made announcements on the grant of two tenements (EMP18160 and EMP 18007) to the Company.

The Company lodged applications for the exploration permits for mining EPM19261, EPM19262, EPM19263 and EPM19264 with the Queensland Department of Mines and Energy. There are not any competing applications and it may take 18 months or longer for these tenements to be granted to CWH Resources Ltd.

When funds are available by December this year, exploration activities for the tenements in Kazakhstan will commence.

The Board has plans to acquire uranium, gold and multi-metal tenements in the immediate future and to change the Company business focus to mining.

On behalf of the Board, we wish to express our sincere appreciation for the continual support from our shareholders and all the staff who have contributed to the Company.



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Bao Cheng Luo  
CHAIRMAN OF THE BOARD

14 October 2011

## Directors' Report

Your directors present this report together with the financial report of CWH Resources Ltd ("the Company"), and of the Group ("CWH Group"), being the company and its controlled entities for the year ended 30 June 2011 and the independent audit report thereon.

### Directors

The following persons were directors of the Company at any time during or since the end of the financial year.

Bao Cheng Luo	- appointed 15 August 2003
Hock Guan Charles Sher	- appointed 15 August 2003
Fu Man Chang	- appointed 6 October 2008
Wei Guo Wang	- appointed 9 February 2009
Peter Blair	- appointed 20 January 2011
Shun Ming Li	- appointed 28 March 2011
Anthony Mokdassi	- appointed 20 January 2011, resigned 29 August 2011
Ke Qin Xie	- appointed 6 October 2008, resigned 14 March 2011
Douglas William Sutherland	- appointed 30 April 2009, retired 20 January 2011
Ernest Wong	- appointed 9 October 2008, retired 20 January 2011

### Company Secretary

The Company secretaries are:

- Bao Cheng Luo, who was appointed on 29 January, 2007;
- Eng Chuan Ow, who was appointed on 12 April, 2010.

### Principal Activities

The principal activities of the CWH Group during the year were:

- manufacturing and selling of building products in China
- holding investments in Australian listed companies.

### Dividends

The directors of the CWH Group recommend that no dividend be paid in respect of the year ended 30 June 2011 (2010: Nil).

### Review of Operations

#### Australia

CWH Resources Ltd ("CWH") aims at broadening its shareholder base to improve its ability to seek further equity capital for its growth plans. CWH has assembled an international group of directors with a blend of corporate, strategic, industry and financial skills and experience to lead the Group in the next few years where it will seek major growth in revenue and diversify investment activities.

The Queensland Department of Mines and Energy updated the application status of Exploration Permits for Minerals, EPM18007 and EPM18160 to "Granted" on 23 December 2010. The Company also lodged applications for exploration permits of mining for EPM19261, EPM19262, EPM19263 and EPM19264 during the year. There are not any competing applications and it may take 18 months or longer for these to be granted to CWH Resources Ltd.

In addition, CWH Resources Ltd is preparing a prospectus to raise up to \$3 million for its exploration programs in Queensland. This prospectus is also prepared to assist the Company to meet the requirements of Chapter 1 and 2 of ASX Listing Rules. The Board is expecting to be readmitted to ASX in the near future.

## **China**

On 3 June 2010, the Directors approved the decision to sell Chongqing Yuao Building Materials Co., Ltd ("CYBM", a wholly owned subsidiary of CWH Resources Ltd). A sale agreement was entered on 6 December 2010. The sale has not yet been completed. Refer to Note 4 for further information.

## **Singapore**

The Singapore subsidiary is presently non-operating.

## **Operating Results**

The net loss after tax of the CWH Group for the year ended 30 June 2011 was \$2,636,209 (2010: \$2,811,389 loss). In the opinion of the directors, the operating results of the CWH Group for the year ended 30 June 2011 were not affected by any item, transaction or event of a material or unusual nature, other than the impact on the disclosures related to the classification of CYBM as a discontinued operation following the agreement to dispose of the business.

## **Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs during the year, other than CWH entering an agreement to dispose CYBM.

## **Matters Subsequent to the End of the Financial Year**

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial years.

## **Likely Developments and Expected Results of Operations**

Except as disclosed in the Chairman's Report, the Directors are of the opinion that further or specific information as to likely developments in the operations of the CWH Group or the expected results of those operations is likely to result in unreasonable prejudice to the CWH Group in future years and has not been included in this Annual Report.

## **Environmental Regulation**

The CWH Group is not subject to significant environmental regulation, other than the general environmental regulations operational in China.

## **Qualifications, Experience and Responsibilities of Directors**

### **Bao Cheng, Luo** **Executive Chairman**

Appointed to the Board on 15 August 2003. Mr Luo was responsible for introducing new management techniques to Chongqing Yuao and completed a major restructure of the company's operations. Mr Luo has over 15 years of experience in management having held managerial posts in various organisations. These include Chong Xing Mortgage Co., Ltd (between 1992 and 1994), Shanghai Stock Exchange, Chengdu Branch (between 1994 and 1998) and Chengdu Weian Investment Co., Ltd (between 1998 and 1999). Mr Luo was the President of Shenzhen Sunfield S&T Investment Holding Co., Ltd between 1999 and 2000. Currently, he is the President of Shenzhen Webmoney Investment Co., Ltd, a post he has held since 2001, and he is also the President of Chendu Xuyang Investment Consulting Co., Ltd, which he has held since 1998. Mr Luo holds a postgraduate degree in Economics from Sichuan University.

#### ***Special Responsibilities***

Member of the Audit and Remuneration Committee  
Company Secretary

**Interest in shares:** 5,723,607

**Interest in options:** Nil

### **Hock Guan Charles, Sher** **Non-Executive Director and Chairman of the Audit Committee**

Appointed to the Board on 15 August 2003. Mr Sher is currently the President of Xiamen Huadian Switchgear Co., Ltd., a manufacturing company located in Xiamen involved in design, manufacturing and sales of medium voltage switchgear and circuit breakers. He is also currently the Chairman of Xiamen Fucheng Real Estate Development Company Limited, a real estate development company located in Xiamen. Between 1990 and 2003, Mr Sher held various management and operational positions with the Asea Brown Boveri ("ABB") group of companies in Hong Kong, Xiamen and Singapore. He last held the position of Vice President of ABB Industry Pte Ltd in Singapore, where he was the Head of Business Area Low Voltage Products for Asia South Region and the Head of Business Area Manufacturing and Electronic Industries for Asia Region before he left the ABB group in 2003. An electrical engineer by training, Mr Sher was involved in the areas of electrical and mechanical projects in various organisations where he worked, including Sunyen Engineering Pte Ltd, Mass Rapid Transit Corporation and Asia Cement (Singapore) Pte Ltd in Singapore. In addition, he has been conferred as an Honorary Citizen of Xiamen Municipal Government since 1996.

Mr Sher holds a Bachelor of Applied Science in Electrical Engineering from the University of Ottawa, Ontario, Canada. He has attended the Asian International Executive Programme by INSEAD Euro-Asia Centre.

#### ***Special Responsibilities***

Chairman of the Audit and Remuneration Committee.

**Interest in shares:** Nil

**Interest in options:** Nil

**Man Chang, Fu**  
**Non-Executive Director**

Mr Fu, appointed to the Board on 6 October 2008, is Chairman of the board of State Nuclear Power Automation System Engineering Co., Ltd., an operating unit of the State Nuclear Power Technology Corporation of China. He is also currently Chief Secretary of China Nuclear Society.

He has had a distinguished career in Nuclear Power engineering in China with particular expertise in control and instrumentation systems. His prior positions have included:

- Director of Technology and International Cooperation Department of China Nuclear Engineering Group Co., Ltd
- Permanent Vice Representative of China to the IAEA
- Director of Nuclear Electric Power Bureau of CNNC
- Head of the Second Institute of Nuclear Engineering, and
- Onsite design team leader and quality inspector (for the Second Institute of Nuclear Engineering) at Dayawan (Daya Bay) Nuclear Power Station.

From 1985 to 1987, he was a Visiting Scholar at University of Manchester Institute of Science and Technology ("UMIST") and was the chairman of the Federation of Students Studying in the UK.

He is a member of the Evaluation Committee of National Science and Technological Advancement Award and of the Evaluation Committee of Science and Technological Advancement Award of China Nuclear Engineering Group Co., Ltd. and is a visiting professor of World Nuclear University.

In 2005 the French Nuclear Association awarded him a gold prize for international cooperation.

**Special Responsibilities**

None.

**Interest in shares:** Nil

**Interest in options:** Nil

**Wei Guo, Wang**  
**Non-Executive Director**

Appointed to the Board on 9 February 2009. Mr Wang has been a securities market consultant since 2005. In 1992 Mr Wang participated in the establishment of China Securities Co. Ltd and has filled various roles up to Vice President and Chairman of the Supervisory Committee. Mr Wang has also held various management roles within the People's Bank of China and ICBC.

Mr Wang is a graduate of the Xiamen University with a Master's degree in Economics.

**Special Responsibilities**

None.

**Interest in shares:** Nil

**Interest in options:** Nil

**Peter Blair**  
**Non-Executive Director**

Mr. Peter Blair was born in Australia on the 7th of January, 1965.

In the past ten years Mr. Blair has had work experience at various professions. From 2000 to 2004, Mr. Blair worked as the General Manager for Tad Electrical Pty Ltd. He performed the roles of Research and Development Commercial Manager and Business Development. As of the year 2005, Mr. Blair is a Private Business Owner and Investor in the following fields: Waste Management Consultancy, Electrical Consultancy, Mining/Mineral Exploration Consultancy and Property Development.

***Special Responsibilities***

None.

**Interest in shares:** Nil  
**Interest in options:** Nil

**Shun Ming Li**  
**Non-Executive Director**

Mr Shun Ming Li was born in Fuzhou, Fujian Province in China, in April 1962 and studied at Fujian Chang Le Sha Jing Elementary School and Fujian No. 1 Middle School between 1970 and 1980. He graduated from Fuzhou University with Bachelor Degree of Science in 1984 and held a position as a teacher in Fu Zhou No. 7 Middle School between 1985 and 1987. Then he was employed by Fujian International Trade Association in 1988. Mr Li came to Australia around August 1990 for further education.

Mr Li held a position as Managing Director in Australia of Fujian Mining Pty Ltd which was established by him in 1985. He was also the chairman of Hunan Huiyuan Mining Pty Ltd which was also founded by him in 2002. He was appointed as Vice President and General Manager in Fujian Xianglong Wine Pty Ltd in 1997 and Vice President and Deputy of Asia Department in ACP Mining Pty Ltd in Australia since 2010.

***Special Responsibilities***

None.

**Interest in shares:** Nil  
**Interest in options:** Nil

**Anthony Mokdassi**  
**Non-Executive Director**

Mr Anthony Mokdassi was born in 1980 in Sydney, Australia into an extremely successful mining / civil work family. He started with his father after completing his education in the civil work and mining arena. Mr Mokdassi has worked in Quarrying and Mining in the Middle East and Australia and was also a major contractor in the Land Reclamation Projects in Dubai, United Arab Emirates. Mr. Mokdassi was also appointed for 3 years as a Consulting Operations and Equipment procurement manager for Petrofac and Amec-Spie, which took him to over 28 countries in 36 months while still maintaining his quarry operations in the United Arab Emirates.

Due to his father's strong ties to the industry, Mr Mokdassi was able to secure the rights of Resonance Frequency Geo Technology (RFGT), a technology which will dramatically change the way of approaching exploration in all types of geology. Mr Mokdassi has returned to Australia where he has been preparing RFGT via his company, RFGT Australia Pty Ltd and numerous other environmental technologies which can be implemented globally.

***Special Responsibilities***

None.

**Interest in shares:** Nil  
**Interest in options:** Nil

**Ke Qin, Xie**  
**Executive Director**

Mr Xie, appointed to the Board on 6 October 2008, is currently the General Manager of Chongqing Yuao Building Materials Co., Ltd (formerly Yong Chuan Cement Factory). He has worked for the company since 1983. He has worked in a number of roles in production and mechanical engineering, plant management and in 1995 was appointed to his current position of General Manager. Prior to joining the company, he worked for Yongchuan Huaguoshan Ironwork factory as an electric technician. He also held the position of Project Manager of CWH Chongqing Representative Office between 2004 and 2005.

He is a graduate of the Chongqing Academy of Iron and Steel and holds a technician certificate in Mechanical and Electrical Engineering. He holds a Bachelor of Economics and Law from Chongqing Yuxi College, and holds an MBA from the Industrial and Commercial College of Chongqing University. He also studied Techno-economics and Management at TsingHua University in 2001.

**Special responsibilities**

None.

**Interest in shares:** 8,700

**Interest in options:** Nil

**Douglas William, Sutherland**  
**Non-Executive Director**

Appointed to the Board on 30 April 2009. Mr Sutherland is a Chartered Accountant who has been engaged as a director and company secretary over a wide range of companies over the last 40 years.

Mr Sutherland is currently Chairman of Minerals Corporation Limited and Chairman of Pan Atlas Credits Limited. He has previously been a director of Industrial Equity Limited, Sydney Electricity and the Metropolitan Sewerage and Drainage Board. Mr Sutherland was also the Lord Mayor of Sydney during the years 1980 to 1987.

**Special Responsibilities**

Member of the Audit and Remuneration Committee.

**Interest in shares:** Nil

**Interest in options:** Nil

**Ernest Wong**  
**Non-Executive Director**

Mr Wong, appointed to the Board on 9 October 2008, pursued a career in medical research before undertaking business and legal studies. He is a Councillor on Burwood City Council in Sydney's west. He is active in a wide range of community activities and is a Director of the Millennium Foundation, which supports the Westmead Millennium Research Institute and Westmead Hospital. Mr Wong's qualifications are MBBS, BCom, and LLB.

**Special Responsibilities**

None.

**Interest in shares:** Nil

**Interest in options:** Nil



## Qualifications, Experience and Responsibilities of Company Secretary

### Eng Chuan Ow (Owen) CPA

Eng Chuan Ow (Owen) has over 20 years of experience in the profession both in Australia and overseas. Owen's vast professional experience includes auditing trading companies, banks, finance companies, and non-profit organisations; providing accounting & taxation advice to individuals and business entities; and the implementation of computerised accounting systems.

Owen graduated from the University of Ballarat in 1984 with a Bachelor of Business degree majoring in accounting and data processing. He has been a member of CPA Australia since 1984 and a registered tax agent since 1990. Owen is multilingual and apart from English is also fluent in Mandarin, Cantonese and Malay/Indonesian.

### Meetings of Directors

There was one meeting of the Board and one Audit and Remuneration Committee meeting during the year ended 30 June 2011.

The number of Board meetings each was eligible to attend and the number of meetings attended are as follows:

	Directors		Audit and Remuneration Committee	
	Meetings Eligible	Meetings Attended	Meetings Eligible	Meetings Attended
Bao Cheng Luo	2	2	1	1
Ernest Wong	1	1	-	-
Hock Guan Charles Sher	2	2	1	1
Douglas William Sutherland	1	1	1	-
Ke Qin Xie	1	1	-	-
Fu Man Chang	2	2	-	-
Wei Guo Wang	2	2	-	-
Peter Blair	1	1	-	-
Anthony Mokdassi	1	1	-	-
Shun Ming Li	-	-	-	-

## Remuneration Report

The remuneration report is set out under the following main headings:

- A Principles Used to Determine the Nature and Amount of Remuneration
- B Details of Remuneration
- C Share-Based Compensation
- D Additional Information

### A. Principles Used to Determine the Nature and Amount of Remuneration

#### *Non-executive directors*

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive Directors' fees and payments are reviewed annually by the Board based on comparative roles in the external market.

Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically submitted for approval by shareholders. The pool limit currently stands at \$100,000.

*Retirement Allowances for Directors*

There are no retirement allowances for directors, other than payment of statutory superannuation for executive directors.

*Executives including Executive Directors*

The objective of the Company's executive reward framework is to ensure that reward for performance is competitive within the industry sector and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market standards. The Board ensures that the executive remuneration system satisfies the following key criteria to ensure good reward governance practices:

- Competitive within the Company's sector and appropriate to attract and retain high calibre executives
- Reasonable with respect to the financial status of the Company, and considered acceptable to shareholders
- Providing appropriate recognition of capabilities and experience, balanced against reward for contribution and achievements
- Providing a clear and transparent structure for earning of rewards

The framework provides a mix of fixed and variable pay.

*Executive Pay*

The executive pay and reward framework has two components:

- Base pay and benefits (fixed)
- Short-term performance incentives (variable; paid as a cash bonus)

The combination of these comprises the executive's total remuneration.

*Base Pay*

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed benefits including superannuation. Base pay for senior executives is reviewed annually by the Audit and Remuneration Committee to ensure that the executive's pay is competitive within the market. There is no guaranteed base pay increases included in any senior executives' contracts.

*Benefits*

The Company provided a motor vehicle subject to a finance lease arrangement to one director. The only such arrangement during the year was paid out in March 2011. The car was also disposed of in March 2011.

*Retirement Benefits*

There are no retirement benefits other than statutory superannuation.

**B. Details of Remuneration**

*Amounts of Remuneration*

Details of remuneration of the directors and the key management personnel of CWH Resources Ltd and the CWH Group for the financial years ended 30 June 2011 and 30 June 2010 are set out in the following tables:

**Remuneration of Directors and Key Management Personnel**

Year Ended 30 June 2011	Short-Term Benefits			Post Employment Benefits	Share- Based Payment	Total \$
Name	Cash Salary and Fees \$	Cash Bonus \$	Non-Monetary Benefits \$	Super-annuation \$	Share Options \$	
<b>Non-Executive Directors</b>						
Charles Sher*	-	-	-	-	-	-
Wei Guo Wang*	-	-	-	-	-	-
Shun Ming Li*	-	-	-	-	-	-
Ernest Wong <sup>2</sup>	24,771	-	-	2,229	-	27,000
Douglas William Sutherland <sup>2</sup>	1,500	-	-	-	-	1,500
Fu Man Chang	18,339	-	-	-	-	18,339
Peter Blair <sup>1</sup>	10,000	-	-	900	-	10,900
Anthony Mokdassi <sup>1</sup>	10,000	-	-	900	-	10,900
<b>Subtotal</b>	<b>64,610</b>	-	-	<b>4,029</b>	-	<b>68,639</b>
<b>Executive Directors</b>						
Bao Cheng Luo	18,000	-	-	1,620	-	19,620
Ke Qin Xie <sup>3</sup>	17,575	-	-	-	-	17,575
<b>Subtotal</b>	<b>35,575</b>	-	-	<b>1,620</b>	-	<b>37,195</b>
<b>Other Key Management Personnel</b>						
De Ming Zhao <sup>2</sup>	5,502	-	-	-	-	5,502
De Yu Ren	9,169	-	-	-	-	9,169
Ru Qin Chen <sup>2</sup>	-	-	-	-	-	-
<b>Sub-total</b>	<b>14,671</b>	-	-	-	-	<b>14,671</b>
<b>Total</b>	<b>114,856</b>	-	-	<b>5,649</b>	-	<b>120,505</b>

\* No remuneration has been recorded for this Director as remuneration agreed was \$Nil.

<sup>1</sup> Appointed during the year.

<sup>2</sup> Resigned or ceased holding office during the year.

<sup>3</sup> Resigned as a director prior to the date of this report, however remains a member of Key Management Personnel.

**Remuneration of Directors and Key Management Personnel**

Year Ended 30 June 2010	Short-Term Benefits			Post Employment Benefits	Share- Based Payment	Total \$
Name	Cash Salary and Fees \$	Cash Bonus \$	Non-Monetary Benefits \$	Super-annuation \$	Share Options \$	
<b>Non-Executive Directors</b>						
Charles Sher*	-	-	-	-	-	-
Wei Guo Wang*	-	-	-	-	-	-
Ernest Wong	36,000	-	-	-	-	36,000
Douglas William Sutherland	18,000	-	-	-	-	18,000
Fu Man Chang	19,925	-	-	-	-	19,925
<b>Sub-total</b>	<b>73,925</b>	-	-	-	-	<b>73,925</b>
<b>Executive Directors</b>						
Bao Cheng Luo	193,438	-	-	-	-	193,438
Ke Qin Xie	16,016	-	-	\$1,660	-	17,676
<b>Sub-total</b>	<b>209,454</b>	-	-	<b>\$1,660</b>	-	<b>211,114</b>
<b>Other Key Management Personnel</b>						
De Ming Zhao	12,921	-	-	\$1,328	-	14,249
De Yu Ren	10,338	-	-	\$1,328	-	11,666
Ru Qin Chen	10,492	-	-	\$1,328	-	11,820
Rong Zhang <sup>1</sup>	4,505	-	-	-	-	4,505
<b>Sub-total</b>	<b>38,256</b>	-	-	<b>\$3,984</b>	-	<b>42,240</b>
<b>Total</b>	<b>321,635</b>	-	-	<b>\$5,644</b>	-	<b>327,279</b>

\* No remuneration has been recorded for this Director as remuneration agreed was \$Nil.

<sup>1</sup> Resigned during the year.

**C. Share – Based Compensation**

At present the company does not have a share option plan and no share options have been issued.

**D. Additional Information**

*Principles used to determine the nature and amount of remuneration: relationship between remuneration and Company performance*

The overall level of executive reward will take into account the performance of the CWH Group over a number of years, with greater emphasis given to the most recent year.

*End of Remuneration Report.*

**Loans to Directors and Executives**

There are no loans provided to directors or executives.

**Insurance of officers**

No Directors and Officers insurance policy is currently in place and this is under review.

**Proceedings on Behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

**Non-Audit Services**

The CWH Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the CWH Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The Board of directors has considered the position and, in accordance with the advice received from the Audit and Remuneration Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit and remuneration committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants.

**Remuneration of Auditors**

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2011 \$	2010 \$
<b>Audit and Review Services</b>		
Fees paid to the auditor of the parent company, HLB Mann Judd	69,829	-
Fees paid to previous auditor	30,068	83,134
<b>Total remuneration for audit services</b>	<b>99,897</b>	<b>83,134</b>
<b>Other Services</b>		
HLB Mann Judd – Independent Accountant's Report	27,746	-
<b>Related Practices of HLB Mann Judd</b>		
Audit and Review Services	14,437	-
	<b>142,080</b>	<b>83,134</b>

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

**Indemnification and auditors**

The Company has agreed to indemnify all directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify all directors and officers of its controlled entities for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

**Auditor**

HLB Mann Judd was appointed as auditor to the Company on 20 January 2011 and continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.



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Bao Cheng Luo  
Director

14 October 2011



Accountants | Business and Financial Advisers

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of CWH Resources Ltd for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; or
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to CWH Resources Ltd and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'D K Swindells'.

**D K Swindells**  
Partner

**14 October 2011**

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

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HLB Mann Judd (NSW Partnership) is a member of  International. A world-wide network of independent accounting firms and business advisers.

## Corporate Governance Statement

The Board's role is set out in the Board charter which establishes the relationship between the Board and management and describes their respective functions and responsibilities.

The Board is responsible for the oversight and performance of the CWH Group, including matters such as:

- Overall corporate governance;
- Formulating, approving and monitoring corporate objectives with a view to maximising Shareholder value;
- Selecting, appointing and reviewing key consultants and executives;
- Identifying management and business risks;
- Monitoring systems of internal control and compliance;
- Evaluating, approving and monitoring the strategic and financial plans and performance objectives for the CWH Group;
- Evaluating, approving and monitoring the annual budgets and business plans;

Set out below are the corporate governance policies and procedures adopted by the Board of the Company. At regular intervals the Board will review the policies and procedures adopted, as it is expected that requirements will change as the CWH Group develops and grows in complexity. The policies in place are described under the headings of eight ASX Principles.

### Principle 1

#### Lay Solid Foundations for Management and Oversight

##### *Role of the Board*

The Board has the primary responsibility for guiding and monitoring the business and affairs of the CWH Group, including compliance with the CWH Group's corporate governance objectives.

The Board is responsible for the oversight and performance of the CWH Group.

Monitoring and approving all financial reports and all other reporting and external communications by the CWH Group;

- Evaluation of Board and individual director performance;
- Appointing, removing and managing the performance of, and the succession planning for, senior executives of the CWH Group;
- Overseeing and ratifying the terms of appointment and, where appropriate, removal, of senior executives, including their remuneration;
- Reporting to shareholders on the CWH Group's strategic direction and performance;
- Monitoring the CWH Group's performance in relation to best practice principles of corporate governance; and
- Approving and monitoring the CWH Group's risk management strategy and internal controls and accountability systems and their effectiveness.

##### *Role of Management*

The Board has delegated the day to day management of the CWH Group to the committees outlined above who, in turn, may delegate responsibilities to senior management. The delegations to committees each lead by a committee chairman include:

- Developing business plans, budgets and Group strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;
- Operating the business of the CWH Group within the parameters determined by the Board and keeping the Board promptly informed of all developments material to the CWH Group and its business;
- Identifying and managing operational risks and formulating strategies for managing those risks for consideration by the Board; and
- Managing the CWH Group's financial and other reporting mechanisms and control and monitoring systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively.

##### *Letters of Appointment*

All directors of the CWH Group have been provided with letters of appointment as suggested in the ASX Guidelines. All executives of the CWH Group are employed under contracts which outline their duties, rights and responsibilities, and entitlement on termination.



**Principle 2**  
**Structure the Board to Add Value**

***Board Composition***

The Board has six directors at the date of this report, five of whom are non-executive, one of whom is executive.

The names, date of first appointment and status of the Company's directors at the date of this report are set out below. More details on the background qualifications and particular skills of these directors are provided in Qualifications, Experience and Responsibilities of Directors on pages 3 to 7.

<b>Name</b>	<b>Appointed</b>	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent</b>
Bao Cheng Luo	15 August 2003	Yes	No	No
Hock Guan Charles Sher	15 August 2003	No	Yes	Yes
Fu Man Chang	6 October 2008	No	Yes	Yes
Wei Guo Wang	9 February 2009	No	Yes	Yes
Peter Blair	20 January 2011	No	Yes	Yes
Shun Ming Li	4 April 2011	No	Yes	Yes

***Director Independence***

Directors are expected to bring independent views and judgment to the Board's deliberations. The Board has reviewed the position and associations of each of the six directors in office and has determined that five of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.

The directors who do not meet the independence criteria are Bao Cheng Luo who is a substantial shareholder in the CWH Group and Mr Ke Qin Xie, a former director who is an employee of a subsidiary company.

***Meetings of the Board***

The Board meets formally on a regular basis, as required. On the invitation of the Board, members of senior management attend and make presentations at Board meetings. See page 7 for the number of Board meetings held.

***Retirement and Re-Election***

The constitution of the Company requires one third of the directors, other than the managing director, to retire from office at each annual general meeting. Directors who have been appointed by the Board are required to retire from office at the next annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting. Directors cannot hold office for a period in excess of three years (or later than the third annual general meeting following their appointment) without submitting themselves for re-election. Retiring directors may be eligible for re-election by shareholders. The Audit and Remuneration Committee (see below) is responsible for assessment of the needs of the Board for best governance of the CWH Group, and in determining whether retiring directors would appropriately fill these needs if re-elected.

***Committees of the Board***

Included in the committees outlined above is a standing Audit and Remuneration Committee which assists the Board in the discharge of its responsibilities.

This committee reviews matters on behalf of the Board and makes recommendations for consideration by the entire Board. The charters for this committee is set out in the Corporate Governance Policy noted above.

***Audit and Remuneration Committee***

Membership of this committee is:

- Charles Sher - Chairman
- Bao Cheng Luo
- Douglas William Sutherland (appointed on 30 April 2009, retired on 20 January 2011)

The primary purpose of the Audit and Remuneration Committee is to support and report to the Board in fulfilling its responsibilities to shareholders in relation to:

- identification and appointment of directors and executives;
- executive remuneration policy;
- the remuneration of executive directors;
- the Company's recruitment, retention and termination policies and procedures;
- superannuation arrangements; and
- all bonus and equity-based plans.

In addition the Audit and Remuneration Committee monitors and reviews the effectiveness of the Company's control environment in the areas of operational risk, legal/regulatory compliance and financial reporting. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

- reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- assessing the consistency of disclosures in the financial statements with other disclosures made by the CWH Group to the financial markets, governmental and other public bodies;
- review and application of accounting policies;
- financial management;
- review of external audit reports to ensure that where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- evaluation of the CWH Group's compliance and risk management structure and procedures, internal controls, corporate governance and ethical standards;
- review of business policies and practices;
- conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board;
- protection of the CWH Group's assets; and
- compliance with applicable laws, regulations, standards and best practice guidelines.

See page 7 for the number of Audit and Remuneration Committee meetings held.

### **Principle 3 Promote Ethical and Responsible Decision-Making**

The CWH Group has adopted principles of appropriate conduct for employees and directors as part of its general Corporate Governance Policy. Through its oversight of Group activities, the Board ensures that best practice standards of ethics and integrity in all business dealings and operations are maintained, including the CWH Group's interactions with its shareholders, employees, business partners, customers, suppliers, and the community.

The CWH Group has adopted a policy on Share Trading, for employees and directors or their related entities. Employees, executives and directors of the CWH Group may not trade in the Company's shares when in possession of inside information and outside of specified trading windows declared by the chairman and/or with permission of the chairman.

### **Principle 4 Safeguard Integrity in Financial Reporting**

#### ***Executive Director and CFO Declaration:***

Consistent with ASX Principle 4, the CWH Group's financial report preparation and approval process involves both the executive director and the chief financial officer providing a written statement to the Board that "to the best of their knowledge and belief, the CWH Group's financial report presents a true and fair view, in all material respects, of the CWH Group's financial condition and operating results and is in accordance with applicable accounting standards."

***Audit Committee, Governance and Independence***

As outlined under Principle 2, the Board has established an Audit and Remuneration Committee, with a formal charter, to verify the integrity of the CWH Group's financial reporting. This committee is structured according to the guidelines set down in the ASX Principles, and reports to the Board. As part of the CWH Group's commitment to safeguarding integrity in financial reporting, the CWH Group has implemented procedures and policies to monitor the independence and competence of the CWH Group's external auditors.

***Appointment of Auditors***

The CWH Group's current external auditors are HLB Mann Judd. The effectiveness, performance and independence of the external auditors are reviewed by the Audit and Remuneration Committee. If it becomes necessary to replace the external auditors for performance or independence reasons, the audit committee will then formalise a procedure and policy for the selection and appointment of new auditors. It is a requirement, given that the Company is listed, that the audit engagement partners be rotated at least every five years.

**Principle 5  
Make Timely and Balanced Disclosure**

The Board has established written Group policies on Continuous Disclosure (including requirements for approval for release of information by the CWH Group), and on Shareholder Communications, to promote effective communication with its shareholders.

In addition to its disclosure obligations under the ASX Listing Rules, the CWH Group communicates with its shareholders through a number of means including:

- annual and half-yearly reports, including material presented at the Annual General Meeting
- quarterly shareholder updates released to the ASX, sent by email to shareholders and others who so request, and placed on the CWH Group's website; and
- media releases, public announcements and investor briefings

All material disclosed, where feasible, and as authorised by the Board, is posted to the CWH Group's website.

**Principle 6  
Respect the Rights of Shareholders**

The CWH Group has a positive and formal strategy to communicate with shareholders and actively promote shareholder involvement in the CWH Group. This is outlined above. It aims to continue to increase and improve the information available to shareholders on its website. All Group announcements, presentations to analysts and other significant briefings are posted on the CWH Group's website after release to the Australian Securities Exchange. Consistent with ASX Principle 6 and CLERP 9, the CWH Group's auditors attend, and are available to answer questions at, the CWH Group's Annual General Meetings.

The CWH Group encourages shareholders to register for receipt of announcements and updates electronically. It is exploring means to provide remote access to Group meetings for those unable to attend in person.

**Principle 7  
Recognise and Manage Risk**

Consistent with ASX Principle 7, the CWH Group is committed to the identification, monitoring and management of risks associated with its business activities and has established, as part of its management and reporting systems, a number of risk management controls. The CWH Group has adopted a general Risk Management Statement addressing the profile of risk relevant to the CWH Group given its operational context supported by a set of internal procedures. Approval of detailed procedures and monitoring of their implementation has been delegated to the Audit and Remuneration Committee of the Board.

In particular:

- The CWH Group has approved delegations and limits for approval of expenditure and for incurring contractual obligations.
- In accordance with ASX Principle 7, the executive officers provide the Board with an annual written statement that:
  - the statement given with respect to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - the CWH Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The risk profile can be expected to change and procedures adapted as the CWH Group's business develops and it grows in size and complexity. Regular review by the Audit and Remuneration Committee will ensure that procedures adopted continue to be appropriate.

**Principle 8**  
**Remunerate Fairly and Responsibly**

The CWH Group's remuneration policy and details of director and executive remuneration are outlined on pages 8 through 10 of this report. The guiding principles of this policy are to balance the need to provide industry-competitive remuneration in order to attract and retain high quality personnel, while ensuring effective use of shareholder funds.

As detailed under Principle 2, the CWH Group has established an Audit and Remuneration Committee, with responsibility for reviewing general remuneration policies for the CWH Group, and approving remuneration for senior executives. The composition of this committee is according to the ASX guidelines.

Non-executive directors are remunerated by director's fees only. No schemes for retirement benefits (other than statutory contributions to a superannuation scheme where relevant) or termination payments are in place.

# CWH Resources Ltd

(formerly China West International Holdings Limited)

## Annual Financial Report – 30 June 2011

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This Financial Report is provided in relation to the consolidated entity consisting of CWH Resources Ltd and its controlled entities. The Financial Report is presented in Australian currency.

CWH Resources Ltd is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

CWH Resources Ltd  
Suite 1503, 97-99 Bathurst Street  
Sydney NSW 2000

**CWH Resources Ltd**  
**Consolidated Statement of Comprehensive Income**  
For the Year Ended 30 June 2011

		Consolidated	
		2011	2010
		\$	\$
Notes			
<b>Continuing operations</b>			
	<b>Other income</b>	11,484	2,397,444
	Selling and operating expenses	-	-
	Administrative expenses	(1,117,900)	(1,545,157)
	Impairment loss on investments	(281,218)	(256,361)
	<b>Results from operating activities</b>	<b>(1,387,634)</b>	<b>595,926</b>
	Finance expenses	(18,797)	(9,126)
	Other expenses	(286,621)	-
	<b>(Loss)/Profit before income tax</b>	<b>(1,693,052)</b>	<b>586,800</b>
	Income tax expense	-	(220,805)
	<b>(Loss)/Profit after income tax</b>	<b>(1,693,052)</b>	<b>365,995</b>
	<b>Loss from discontinued operation</b>	<b>(943,157)</b>	<b>(3,177,384)</b>
	<b>Loss attributable to members of CWH Resources Ltd</b>	<b>(2,636,209)</b>	<b>(2,811,389)</b>
	Foreign currency translation difference for foreign operations	(104,899)	(221,374)
	<b>Total comprehensive loss for the year</b>	<b>(2,741,108)</b>	<b>(3,032,763)</b>
<b>Earnings per share</b>			
	Basic and diluted earnings (loss) per share (cents)	(3.61)	(3.99)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**CWH Resources Ltd and Controlled Entities**  
**Consolidated Balance Sheet**  
As at 30 June 2011

		Consolidated	
		2011	2010
Notes		\$	\$
<b>Current Assets</b>			
	Cash and cash equivalents	1,956	16,445
	Trade and other receivables	63,921	1,358,057
	Inventories	-	1,274,735
	Financial assets	179,167	154,840
		<b>245,044</b>	<b>2,804,077</b>
	Assets classified as held for sale	7,983,801	-
	<b>Total current assets</b>	<b>8,228,845</b>	<b>2,804,077</b>
<b>Non-current Assets</b>			
	Other receivables	52,584	-
	Property, plant and equipment	6,446	6,319,890
	Investment accounted for using equity method	-	206,834
	Total non-current assets	<b>59,030</b>	<b>6,526,724</b>
	<b>Total Assets</b>	<b>8,287,875</b>	<b>9,330,801</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
	Trade and other payables	768,277	5,383,658
	Loans and borrowings	-	2,488,131
	Current tax liabilities	-	944,989
		<b>768,277</b>	<b>8,816,778</b>
	Liabilities directly associated with assets classified as held for sale	8,322,341	-
	<b>Total current liabilities</b>	<b>9,090,618</b>	<b>8,816,778</b>
<b>Non-current Liabilities</b>			
	Loans and borrowings	402,982	30,060
	Total non-current liabilities	<b>402,982</b>	<b>30,060</b>
	<b>Total Liabilities</b>	<b>9,493,600</b>	<b>8,846,838</b>
	<b>Net Assets/(Liabilities)</b>	<b>(1,205,725)</b>	<b>483,963</b>
<b>EQUITY</b>			
	Share capital	15,188,814	14,137,394
	Reserves	(1,527,661)	(1,422,762)
	Accumulated losses	(14,866,878)	(12,230,669)
	<b>Total Equity (Deficiency)</b>	<b>(1,205,725)</b>	<b>483,963</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

**CWH Resources Ltd**  
**Consolidated Statement of Changes in Equity**  
For the Year Ended 30 June 2011

Consolidated	Share Capital	General Reserve	Foreign Currency Translation Reserve	Share Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	<b>14,172,731</b>	<b>272,800</b>	<b>(1,847,455)</b>	-	<b>(9,046,013)</b>	<b>3,552,063</b>
Total comprehensive income for the period	-	-	(221,374)	-	(2,811,389)	(3,032,763)
Share buy-back	(35,337)	-	-	-	-	(35,337)
Transfer to general reserve	-	373,267	-	-	(373,267)	-
				-		
<b>Balance at 30 June 2010</b>	<b>14,137,394</b>	<b>646,067</b>	<b>(2,068,829)</b>	-	<b>(12,230,669)</b>	<b>483,963</b>
Total comprehensive income for the period	-	-	(104,899)	-	(2,636,209)	(2,741,108)
Issue of options	-	-	-	1,051,420	-	1,051,420
Share issue on conversion of options	1,051,420	-	-	(1,051,420)	-	-
<b>Balance at 30 June 2011</b>	<b>15,188,814</b>	<b>646,067</b>	<b>(2,173,728)</b>	-	<b>(14,866,878)</b>	<b>(1,205,725)</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**CWH Resources Ltd**  
**Consolidated Statement of Cash Flows**  
For the Year Ended 30 June 2011

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		10,153,093	14,160,534
Payments to suppliers, employees and others		(11,703,900)	(13,486,214)
VAT refund received		-	94,811
Other taxes paid		-	(1,084,599)
Income tax paid/refund		-	(14,944)
Interest received/(paid)		(15,450)	1,786
Others		17,148	-
<b>Net cash inflow (outflow) from operating activities</b>	22	<b>(1,549,109)</b>	<b>(328,626)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant & equipment		(27,311)	(50,963)
Proceeds from disposals of PPE		52,500	13,284
Payments for other investments		(472,921)	13,625
Proceeds from sale of other investments		88,049	(37,524)
<b>Net cash inflow (outflow) from investing activities</b>		<b>(359,683)</b>	<b>(61,578)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issues of shares, options, etc.		1,051,420	(690)
Repayment of borrowing		(217,970)	(29,390)
Proceeds of loan from related parties		1,290,102	1,765,227
Repayment of loan to related parties		-	(1,448,346)
Others		(217,245)	-
<b>Net cash inflow (outflow) from financing activities</b>		<b>1,906,307</b>	<b>286,801</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,485)</b>	<b>(103,403)</b>
Cash and cash equivalents at the beginning of the year		16,445	120,131
Effects of exchange rate changes on cash and cash equivalents		(1,118)	(283)
<b>Cash and cash equivalents at the end of the year</b>	9	<b>12,842</b>	<b>16,445</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## 1. Summary of Significant Accounting Policies

The financial report of CWH Resources Ltd ("CWH" or "the Company") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 14 October 2011.

CWH Resources Ltd (the parent) is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX") and is the ultimate Company in the CWH Group. The consolidated financial report of the company for the year ended 30 June 2011 comprises the company and its controlled entities ("the CWH Group" or "the Consolidated Entity").

The nature of operations and principal activities of the CWH Group are described in the Directors' Report.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, including Australian Accounting Interpretations and the *Corporations Act 2001*.

#### *Compliance with IFRS*

The consolidated financial statements of the CWH Resources Ltd Group also comply with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB).

#### *Historical Cost Convention*

These financial statements have been prepared under the historical cost convention, except for financial assets that have been classified as at fair value through profit and loss, which are measured at their fair value.

#### *Critical Accounting Estimates*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CWH Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

#### *Going Concern*

The financial report has been prepared on the basis of going concern and the Group contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

As at 30 June 2011 the balance sheet of the group shows a net asset deficiency of (\$1,205,725), of which \$338,540 relates to a discontinued operation (refer to Note 4), leaving a net asset deficiency of \$867,185 relating to the continuing operations.

Also at that date, excluding the discontinued operation current liabilities exceeded current assets by \$523,233.

The Statement of Comprehensive Income for the year ended 30 June 2011 shows a loss after income tax from continuing operations of \$ 1,693,052, a loss from discontinued operations of \$ 943,157 and a comprehensive loss for the year of \$2,741,108.

As stated in Note 4, the production facilities of a controlled entity, Chongqing Yuao Building Materials Co., Ltd, which are expected to be sold under an agreement dated 6 December 2010, may have to be closed before 31 December 2011, if ordered so by a Chinese local government authority.

The directors believe that the Company and the consolidated entity will be able to fund future operations through the proceeds from the sale of Chongqing Yuao Building Materials Co., Ltd, and proceeds received under the proposed fund raising anticipated in the near future. Without this fund raising and the proceeds from disposal of, or in the event the sale does not complete, achievement of positive cash flow for, Chongqing Yuao Building Materials Co., Ltd operations, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern.

If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and may be unable to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

### **(b) Discontinued operation**

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

### **(c) Change in accounting policies**

#### *(i) Determination and presentation of operating segments*

As of 1 July 2009 the Group determines and presents operating segments based on the information that internally is provided to the Chairman of the company, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously, operating segments were determined and presented in accordance with AASB 114 *Segment Reporting*. The adoption of the new accounting policy has not resulted in any changes to identified segments.

### **(d) Principles of Consolidation**

#### *(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of CWH and its subsidiaries as at 30 June 2011 and the results of these companies for the year then ended. Subsidiaries are all those entities over which the CWH Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the CWH Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the CWH Group.

Inter-company transactions, balances and unrealised income and expenses on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the CWH Group.

*(ii) Associates*

Associates are all entities over which the CWH Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The CWH Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The CWH Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the CWH Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the CWH Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the CWH Group and its associates are eliminated to the extent of the CWH Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the CWH Group.

**(e) Segment Reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

**(f) Foreign Currency Translation**

*(i) Functional and Presentation Currency*

Items included in the financial statements of each of the CWH Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is CWH Resources Ltd's functional and presentation currency.

*(ii) Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

*(iii) Foreign Operations*

The results and financial position of all the CWH Group foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation exchange differences arising from the translation of any net investment in foreign entities are taken to equity as other comprehensive income.

**(g) Revenue Recognition**

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

All revenue is stated net of the amount of goods and services tax (GST).

Interest income is recognised as it accrues, using the effective interest rate method.

**(h) Income Tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(i) Leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Group's balance sheet.

### **(j) Impairment of Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

### **(k) Cash and Cash Equivalents**

For cash flow statement presentation purposes cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(l) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement between 30 and 90 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (Provision for impairment of trade receivables) is established when there is objective evidence that the CWH Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss with other expenses.

### **(m) Inventories**

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual inventory items on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

### **(n) Investments and Other Financial Assets**

#### *(i) Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the CWH Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet. Subsequent to initial recognition at fair value plus any directly attributable transaction costs, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

*(ii) Fair value Through Profit or Loss*

An instrument is classified as at fair value through profit and loss if it is held for trading or is designated as such upon initial recognition. Assets in this category are classified as current assets.

Financial assets at fair value through profit and loss are carried at their fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise.

**(o) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the CWH Group for similar financial instruments.

**(p) Property, Plant and Equipment**

Plant and equipment is stated at historical cost and is depreciated over its useful life using the straight line method. Historical cost includes expenditure directly attributable to the acquisition of the items. The expected useful life for asset classes is as follows:

Plant and office equipment – between 5 and 10 years.

Motor vehicles – between 5 and 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount, and are included in profit or loss.

**(q) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the CWH Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

**(r) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the CWH Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**(s) Employee Benefits**

*(i) Wages and Salaries and Annual Leave*

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.



*(ii) Long Service Leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

*(iii) Retirement Benefit Obligations*

The CWH Group contributes the required statutory superannuation or pension rate on behalf of employees to licensed superannuation or pension funds. The CWH Group's legal or constructive obligation is limited to these contributions.

Contributions to a defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

*(iv) Profit-Sharing and Bonus Plans*

The CWH Group recognises a liability and an expense for bonuses annually on assessment of employee performance. The CWH Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**(t) Contributed Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(u) Earnings per Share**

The CWH Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**(v) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the relevant Taxation Office. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST or VAT as appropriate.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(w) New Accounting Standards and Interpretations**

A number of new accounting standards, amendments to standards and interpretations have been issued prior to 30 June 2011, that are effective for future financial periods. They are available for early adoption at 30 June 2011, but have not been applied in preparing the financial report:

These standards etc are not expected to have a material impact on future financial reports of the group.

## 2. Financial Risk Management

The CWH Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The CWH Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the CWH Group. The CWH Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity, as outlined below:

### (a) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The CWH Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The CWH Group has policies that limit the amount of credit exposure to any one entity. The compliance with credit limits by customers is regularly monitored by line management.

The average credit period on sale of goods and rendering services is 60 days. No interest is charged on overdue debtors. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods determined by reference to past default experience.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external ratings (if available) or to historical information about counterparty default rates.

### (b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The CWH Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial asset and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

#### *Financing arrangements*

The CWH Group does not have access to any undrawn borrowing facilities at the reporting date.

#### *Maturities of financial liabilities*

With the exception of Director loans all liabilities are classified as current, due for payment within one year.

### (c) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the CWH Group is the current bid price.

The CWH Group did not have any financial instruments not traded on an active market as at 30 June 2011 (2010: Nil).

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the CWH Group for similar financial instruments.

**(d) Foreign currency risk**

The group is exposed to foreign currency risks in relation to the assets, liabilities, and reserves of its subsidiary in China (see Note 4) and its investment in Kazakhstan.

**(e) Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board will focus in the next twelve months on strengthening its working capital position and does not expect it will be in a position to pay a dividend within the next two years.

### **3. Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

**(a) Impairment Provision of Trade Receivables**

The CWH Group undertakes a detailed analysis of trade receivables on a monthly basis and writes off those debtors which it considers not recoverable and makes an impairment provision for those where recovery is considered doubtful.

**(b) Income Taxes**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

For the year ended 30 June 2011 the CWH Group did not recognise deferred tax assets on temporary differences or on tax losses.

### **4. Discontinued operations of Chongqing Yuao Building Materials Co., Ltd**

On 6 December 2010 CWH Resources Ltd entered into a contract to sell its investment in Chongqing Yuao Building Materials Co., Ltd ("CYBM") at a price of RMB 12,910,000 (equal to Australian Dollars 1,859,963 as at 30 June 2011). The consideration will be paid in Australian Dollars.

This sale agreement is subject to the approval of the relevant government authority. The Directors consider that this approval will be obtained. The recoverable amount of the assets of the discontinued operation has been determined for the group of assets of CYBM as a whole. Should the sale not proceed, a re-assessment of recoverable amount of the assets of CYBM will be required, and as a result adjustments might be required to the recoverable amount of the assets of the discontinued operation, which may be below carrying amount.

Under a general Notice of Reinforcement for Elimination of Undeveloped Production Capacity (Yufufa [2010] No. 75), published by a Chinese local government authority, CYBM's production facilities may not be compliant. Although the Company has improved the production facilities, Directors are of the view that the current operations of CYBM be required by the local government to shut down before December 2011. At the date of this report, the Group has not received any official notice in connection with this matter.

#### 4.1 Assets classified as held for sale

	30 June 2011 \$	30 June 2010 \$
<b>Current Assets</b>		
Cash and cash equivalents	10,886	3,284
Trade and other receivables	1,043,854	2,525,448
Inventories	2,232,868	1,274,735
<b>Total current assets</b>	<b>3,287,608</b>	<b>3,803,467</b>
<b>Non-current Assets</b>		
Property, plant and equipment	4,696,193	6,261,687
<b>Total non-current assets</b>	<b>4,696,193</b>	<b>6,261,687</b>
<b>Total Assets</b>	<b>7,983,801</b>	<b>10,065,154</b>

Note: Included in the trade receivables balance are amounts owing from CWH group entities.

The recoverable amount of the assets of the discontinued operation has been determined for the group of assets of the discontinued operation as a whole, assuming that the sale referred to above will complete.

#### 4.2 Liabilities directly associated with assets classified as held for sale

	30 June 2011 \$	30 June 2010 \$
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	5,256,077	2,300,434
Loans and borrowings	1,367,238	4,013,100
Current tax liabilities	1,699,026	1,917,633
<b>Total current liabilities</b>	<b>8,322,341</b>	<b>8,231,167</b>
<b>Total Liabilities</b>	<b>8,322,341</b>	<b>8,231,167</b>

Note: Included in the loans and borrowings are amounts owing from CWH group entities.

#### 4.3 Chongqing Yuao Building Materials Co., Ltd Statement of Comprehensive Income For the Year Ended 30 June 2011

	30 June 2011 \$	30 June 2010 \$
Sales revenue	8,227,537	11,615,450
Cost of sales	(6,904,338)	(10,451,149)
<b>Gross profit</b>	<b>1,323,199</b>	<b>1,164,301</b>
Other income	81,716	-
<b>Net Income before overheads</b>	<b>1,404,915</b>	<b>1,164,301</b>
Selling and operating expenses	(98,185)	(182,649)
Administrative expenses	(1,487,772)	(1,948,829)
<b>Results from operating activities</b>	<b>(181,042)</b>	<b>(967,177)</b>
Finance costs	(155,858)	(148,111)
Other expenses	(606,257)	(2,062,096)
	(762,115)	(2,210,207)
<b>Loss before income tax</b>	<b>(943,157)</b>	<b>(3,177,384)</b>
Income tax expense	-	-
<b>Loss after income tax</b>	<b>(943,157)</b>	<b>(3,177,384)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(943,157)</b>	<b>(3,177,384)</b>

**4.4 Chongqing Yuao Building Materials Co., Ltd**  
**Cash Flow Statement**  
For the Year Ended 30 June 2011

	30 June 2011	30 June 2010
	\$	\$
Net operating cash flows	(711,823)	(247,406)
Net investing cash flows	(26,313)	(36,530)
Net financing cash flows	746,857	280,947
<b>Net increase in cash generated by discontinued operation</b>	<b>8,721</b>	<b>(2,989)</b>

**5. Share Capital**

	30 Jun 2011	30 Jun 2010	30 Jun 2011	30 Jun 2010
	Number of Shares	Number of Shares	\$	\$
<b>Share Capital</b>				
Fully paid ordinary shares	<b>76,316,615</b>	70,131,791	<b>15,188,814</b>	14,137,394

**Movement in share capital**

	2011	2011
	Number of Shares	\$
Balance at the beginning of the period	70,131,791	14,137,394
Options converted	6,184,824	1,051,420
Balance at the end of the period	<b>76,316,615</b>	<b>15,188,814</b>

**Movement in options**

	Number of Options	\$
Options at 1 July 2009	-	-
Options at 30 June 2010	-	-
Options issued for cash at 17c per option	6,008,353	1,021,420
Options issued for services at 17c per option	176,471	30,000
Options converted to ordinary shares	(6,184,824)	(1,051,420)
Options at 30 June 2011	-	-

On 1 July 2010, 6,184,824 options were issued at a price of \$0.17 per option to raise \$1,021,420. These options had an exercise price of \$Nil, and had an expiry date of 30 June 2012.

**6. Revenue**

	Consolidated	
	30 Jun 2011	30 Jun 2010
	\$	\$
<b>Other</b>		
Dividend	-	2,208,050
Unrealised foreign exchange gain	-	187,603
Gain on disposal of fixed assets	9,179	-
Interest income	2,305	1,786
Other	-	5
<b>Total</b>	<b>11,484</b>	<b>2,397,444</b>
<b>Revenue From Discontinued Operation (Note 4.3)</b>		
Sale of goods	8,227,537	11,615,450
<b>Total Revenue and Other</b>	<b>8,239,021</b>	<b>14,012,894</b>

## 7. Expenses

	Consolidated	
	2011	2010
	\$	\$
<b>(a) Finance expenses</b>		
Interest expense	17,755	8,669
Other finance expenses	1,042	457
<b>Total net finance expenses</b>	<b>18,797</b>	<b>9,126</b>
<b>(b) Other expenses</b>		
Loss from stock trading	286,162	-
Other expenses	459	-
<b>Total net finance expenses</b>	<b>286,621</b>	<b>-</b>

## 8. Income Tax

### (a) Tax Losses

The CWH Group has unrecognised tax losses in Australia of approximately \$12.93 million (2010: \$12.1m). The benefit at 30% of approximately \$3.88 million (2010: \$3.6m) associated with the tax losses will only be obtained if:

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised in Australia;
- The CWH Group continues to comply with the conditions for deductibility imposed by the Australian income tax law; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

### (b) Income Tax Expense

	Consolidated	
	2011	2010
	\$	\$
<b>Income Tax Expense</b>		
Current Tax	-	220,805
	<b>-</b>	<b>220,805</b>

	Consolidated	
	2011	2010
	\$	\$
<b>(b) Income Tax Recognised in Profit or Loss</b>		
The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:		
Profit/(Loss) from continuing operations before income tax expense	(1,693,052)	586,800
Loss from discontinuing operations before tax	(943,157)	(3,177,384)
	<b>(2,636,209)</b>	<b>(2,590,584)</b>
Tax at the Australian tax rate of 30% (2010: 30%)	<b>(790,863)</b>	<b>(777,175)</b>
Adjustments for:		
Non-deductible items	235,327	322,888
Tax rebate	(15,549)	(103,416)
Difference in the tax rate	-	44,301
Tax losses not recognised	571,085	734,207
<b>Income tax expense</b>	<b>-</b>	<b>220,805</b>

## 9. Cash and Cash Equivalents

	Consolidated 2011	2010
	\$	\$
Cash at bank and on hand	1,956	16,445

Reconciliation to cash and ash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2011	2010
	\$	\$
Balances as above	1,956	16,445
Cash and cash equivalents – classified as held for sale	10,886	-
Balance used in the Statement of Cash Flows	12,842	16,445

The CWH Group's exposure to interest rate risk and foreign currency is discussed in Note 2.

## 10. Trade and Other Receivables

	Consolidated 2011	2010
	\$	\$
<b>Current</b>		
Trade debtors	-	635,294
Impairment of trade receivables	-	(624,233)
Other receivables	63,921	1,346,996
	63,921	1,358,057
<b>Non-current</b>		
Other receivables	52,584	-
	52,584	-

## 11. Financial Assets

	Consolidated 2011	2010
	\$	\$
<b>Current</b>		
<i>Fair value through profit and loss assets</i>		
Shares in listed entities*	179,167	154,840

\* This investment in listed entities is measured by reference to quoted prices (unadjusted) in active markets for identical assets when represents "level1" of the fair value hierarchy measurement method.

## 12. Property, Plant and Equipment

Consolidated	Plant & Office	Motor Vehicles	Total
	Equipment		
	\$	\$	\$
<b>2011</b>			
Cost	14,094	-	14,094
Accumulated depreciation	(7,648)	-	(7,648)
Carrying amount	<b>6,446</b>	-	<b>6,446</b>
<b>Movement</b>			
Carrying amount at 1 July 2010	5,830,585	489,305	6,319,890
Additions	3,900	-	3,900
Disposals & adjustments	-	(57,075)	(57,075)
Depreciation expense	(474,982)	(84,670)	(559,652)
Assets classified as held for sale	(4,684,649)	(296,783)	(4,981,432)
Foreign exchange translation	(668,408)	(50,777)	(719,185)
Carrying amount at 30 June 2011	<b>6,446</b>	-	<b>6,446</b>

Consolidated	Plant & Office	Motor Vehicles	Total
	Equipment		
	\$	\$	\$
<b>2010</b>			
Cost	12,243,710	677,037	12,920,747
Accumulated depreciation	(6,413,125)	(187,732)	(6,600,857)
Carrying amount	<b>5,830,585</b>	<b>489,305</b>	<b>6,319,890</b>
<b>Movement</b>			
Carrying amount at 1 July 2009	6,710,538	712,784	7,423,322
Additions	9,452	41,345	50,797
Disposals	-	(106,570)	(106,570)
Depreciation expense	(526,820)	(83,132)	(609,952)
Foreign exchange translation	(362,585)	(75,122)	(437,707)
Carrying amount at 30 June 2010	<b>5,830,585</b>	<b>489,305</b>	<b>6,319,890</b>

Please refer to Note 15 for details on property, plant and equipment pledged as security against borrowings.

## 13. Investment Accounted for Using Equity Method

	Consolidated	
	2011	2010
	\$	\$
Investment in unlisted entity – at cost	206,834	206,834
Provision for impairment	(206,834)	-
	<b>-</b>	<b>206,834</b>

The investment comprises a 45% (2010: 45%) interest in Discovery Company Limited registered in Kazakhstan. This company was not operating as at 30 June 2011.



## 14. Trade and Other Payables

	Consolidated	
	2011	2010
	\$	\$
<b>Current</b>		
Trade creditors	159,224	1,108,238
Other payables and accrued expenses	485,331	2,242,540
Payable to shareholder	123,722	126,826
Accrual for social insurance	-	988,542
Accrued interest	-	917,512
	<b>768,277</b>	<b>5,383,658</b>

The CWH Group's exposure to foreign exchange risk is detailed in Note 2.

## 15. Loans and Borrowings

	Consolidated	
	2011	2010
	\$	\$
<b>Current</b>		
Loans from directors	-	531,009
Term loans – secured	-	1,792,856
Loans from Greatlink Development Ltd	-	149,970
Finance lease liability	-	14,296
	-	<b>2,488,131</b>
<b>Non-current</b>		
Loans from directors	402,982	-
Finance lease liability	-	30,060
	<b>402,982</b>	<b>30,060</b>

The loans from directors are unsecured, and carry an interest rate of Nil% p.a. They are repayable by agreement, and not before 1 July 2012.

## 16. Reserves

### Nature and Purpose of Reserves

#### *Foreign Currency Translation Reserve*

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1(e)(iii). The reserve is recognised in profit or loss when the net investment is disposed of.

#### *General Reserve*

The general reserve records statutory funds set aside from an overseas controlled entity of the parent entity under the Company Law requirements and relevant financial regulations in the country of domicile, for future expansion of the economic entity and for providing employees facilities and other collective benefits. The reserve amount cannot be distributed as a dividend by the controlled entity.

## 17. Key Management Personnel Disclosures

The following persons were directors of CWH Resources Ltd during the year.

### (a) Directors

Bao Cheng Luo	- appointed 15 August 2003
Hock Guan Charles Sher	- appointed 15 August 2003
Man Chang Fu	- appointed 6 October 2008
Wei Guo Wang	- appointed 9 February 2009
Peter Blair	- appointed 20 January 2011
Anthony Mokdassi	- appointed 20 January 2011, resigned on 29 August 2011
Ke Qin Xie	- appointed 6 October 2008, resigned on 6 April 2011
Douglas William Sutherland	- appointed 30 April 2009, resigned 20 January 2011
Ernest Wong	- appointed 9 October 2008, resigned 20 January 2011

### (b) Key Management Personnel Compensation

	Consolidated	
	2011	2010
	\$	\$
Short-term employee benefits	114,856	321,635
Post employment benefits	5,649	5,644
	<b>120,505</b>	<b>327,279</b>

Key management personnel disclosures previously required by AASB 124 Related Party Disclosures paragraphs AUS 25.2 to AUS 25.6 and AUS 25.7.1 and AUS 25.7.2 are included in the Remuneration Report section of the Directors' Report.

### (c) Equity Instrument Disclosures Relating to Key Management Personnel

(i) There is no employee or executive share option plan. No shares were issued to any employee or director of the Company during the year as remuneration.

#### (ii) Share Holdings

The numbers of shares in the Company held during the financial year by each director of CWH Resources Ltd and other key management personnel of the CWH Group, including their personally related parties, are set out below.

Name	Balance at the start of the year	Bought	Other changes during the year	Balance at the end of the year
<b>2011</b>				
<b>Directors of CWH Resources Ltd</b>				
<i>Ordinary shares</i>				
Bao Cheng Luo	5,304,248	419,359	-	5,723,607
Ke Qin Xie	8,700	-	-	8,700
Total directors' share holdings	<b>5,312,948</b>	419,359	-	<b>5,732,307</b>

Name	Balance at the start of the year	Sold	Other changes during the year	Balance at the end of the year
<b>2010</b>				
<b>Directors of CWH Resources Ltd</b>				
<i>Ordinary shares</i>				
Bao Cheng Luo	7,000,000	(1,695,752)	-	5,304,248
Ke Qin Xie	8,700	-	-	8,700
Total directors' share holdings	<b>7,008,700</b>	<b>(1,695,752)</b>	<b>-</b>	<b>5,312,948</b>

**(d) Loans to Key Management Personnel**

There were no loans made to directors of CWH Resources Ltd or other key management personnel of the CWH Group, including their personally related parties, during the years ended 30 June 2011 and 30 June 2010.

**(e) Loans from Directors**

	Consolidated	
	2011	2010
	\$	\$
Loans from director – Bao Cheng Luo	<b>402,982</b>	<b>531,009</b>

**18. Contingencies**

There are no contingent liabilities as at 30 June 2011 (2010: Nil).

**19. Remuneration of Auditors**

	Consolidated	
	2011	2010
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related firms:		
<b>(a) HLB Mann Judd</b>		
<i>(i) Audit and other assurance services</i>		
Audit and review of financial statements	69,829	-
<i>(ii) Other services</i>		
Independent Accountant's Report	27,746	-
Total remuneration of HLB Mann Judd	<b>97,575</b>	<b>-</b>
<b>(b) Related Practices of HLB Mann Judd</b>		
<i>(i) Audit and other assurance services</i>		
Audit and review of financial statements	14,437	-
Total remuneration of related practices of HLB Mann Judd	<b>14,437</b>	<b>-</b>
<b>(c) Non-HLB Mann Judd Firms</b>		
<i>(i) Audit and other assurance services</i>		
Audit and review of financial statements	30,068	83,143
Total remuneration of non-HLB Mann Judd firms	<b>30,068</b>	<b>83,143</b>
<b>Total auditors' remuneration</b>	<b>142,080</b>	<b>83,143</b>

## 20. Related Party Transactions

### (a) Parent Entities

CWH Resources Ltd is the parent entity of the CWH group and is an Australian registered Company. The ultimate parent entity of the CWH Group is Beltrading International Corp, registered in the British Virgin Islands.

### (b) Subsidiaries

Interests in subsidiaries are set out in Note 21.

### (c) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 17.

### (d) Loans from Directors

#### (i) Loans from directors to continuing operations

	2011	2010
	\$	\$
Loans from directors – Current	-	-
Loans from directors – Non-Current	402,982	72,010
<b>Total</b>	<b>402,982</b>	<b>72,010</b>

#### (ii) Loans from directors to discontinued operation

	2011	2010
	\$	\$
Loans from directors – Current	-	-
Loans from directors – Non-Current	1,294,111	458,999
<b>Total</b>	<b>1,294,111</b>	<b>458,999</b>

These loans are unsecured and interest free.

## 21. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(d).

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	Equity Holding
			%	%
			2011	2010
Chongqing Yuao Building Materials Co., Ltd (refer to Note 4)	China	Ordinary	100%	100%
China West International Pte Ltd	Singapore	Ordinary	100%	100%

## 22. Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	Consolidated 2011	2010
	\$	\$
<i>Reconciliation of profit/(loss) after income tax to net cash outflow from operating activities</i>		
Profit/(loss) for the year	(2,636,209)	(2,811,389)
Depreciation	554,249	609,952
(Gain)/loss on disposals of assets	(4,747)	93,287
Reverse of inventory provision	(15,282)	-
Finance expenses	155,268	
Loss on stock trading	286,162	-
Fair value loss on investments	281,218	256,360
Debt forgiveness	125,163	33,352
Unrealised foreign exchange gain/loss	(33,431)	(187,604)
<i>Changes in working capital and provisions</i>		
Increase in receivables	(75,825)	(363,625)
Decrease in inventories	(1,155,741)	892,819
(Increase)/Decrease in payables	1,011,657	1,133,278
(Increase)/Decrease in tax liabilities	(41,591)	14,944
<b>Net cash inflow from operating activities</b>	<b>(1,549,109)</b>	<b>(328,626)</b>

## 23. Earnings per Share

	Consolidated 2011	2010
<b>(a) Basic and diluted earnings per share, cents</b>	<b>(3.61)</b>	<b>(3.99)</b>
<b>(b) Earnings used in calculating earnings per share</b>	<b>\$</b>	<b>\$</b>
Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	<b>(2,636,209)</b>	<b>(2,811,389)</b>
<b>(c) Weighted average number of shares used as the denominator</b>	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and dilutive earnings per share	<b>72,971,896</b>	<b>70,388,339</b>

## 24. Parent Entity Disclosures

As at, and throughout, the financial year ended 30 June 2011 the parent company of the CWH Group was CWH Resources Ltd.

	2011	2010
	\$	\$
<b>Result of parent entity</b>		
Profit/(loss) for the year	(1,693,052)	365,995
Other comprehensive income	-	-
Total comprehensive income for the year	<b>(1,693,052)</b>	<b>365,995</b>
<b>Financial position of parent entity at year end</b>		
Current assets	245,044	193,082
Total assets	<b>304,074</b>	<b>458,119</b>
Current liabilities	768,277	1,778,084
Total liabilities	<b>1,171,259</b>	<b>1,808,144</b>
<b>Total equity of the parent entity comprising of:</b>		
Share capital	15,188,814	14,137,394
Accumulated Losses	(16,055,999)	(15,487,418)
Total Equity	<b>(867,185)</b>	<b>(1,350,024)</b>

The parent entity does not have any capital commitments or contingences as at 30 June 2011 (2010: Nil).

The parent entity has provided a written undertaking to its subsidiary Chongqing Yuao Building Materials Co., Ltd with respect to meeting the subsidiary's financial obligations should the subsidiary be unable to do so.

## 25. Segment Information

The CWH Group has two separate segments described below which are the CWH Group's strategic business units. The China business comprises a cement production plant while the Australia business is primarily a corporate office, also undertaking strategic investments.

	China	Australia	Other	Intersegment Eliminations/ Unallocated	Consolidated
	\$	\$	\$	\$	\$
<b>2011</b>					
<b>Revenue</b>					
External Sales	8,227,537	-	-	-	8,227,537
Other Income	81,716	11,484	-	-	93,200
<b>Total Revenue</b>	<b>8,309,253</b>	<b>11,484</b>	<b>-</b>	<b>-</b>	<b>8,320,737</b>
<b>Results</b>					
Segment result before tax	(943,157)	(1,693,052)	-	-	(2,636,209)
Income tax expense	-	-	-	-	-
<b>Profit for the year</b>	<b>(943,157)</b>	<b>(1,693,052)</b>	<b>-</b>	<b>-</b>	<b>(2,636,209)</b>
<b>Assets</b>					
Segment assets	7,983,801	304,074	-	-	8,287,875
<b>Segment liabilities</b>					
Segment liabilities	8,322,341	1,171,259	-	-	9,493,600
<b>Other Segment Information</b>					
Investment in an associate (Note 13)	-	-	-	-	-
Acquisitions of other non-current segment assets	2,904	997	-	-	3,901
Depreciation and amortisation expense	544,815	14,837	-	-	559,652
	China	Australia	Other	Intersegment Eliminations/ Unallocated	Consolidated
	\$	\$	\$	\$	\$
<b>2010</b>					
<b>Revenue</b>					
External Sales	11,615,450	-	-	-	11,615,450
Other Income	145,953	2,397,444	-	(2,208,050)	335,347
<b>Total Revenue</b>	<b>11,761,402</b>	<b>2,397,444</b>	<b>-</b>	<b>(2,208,050)</b>	<b>11,950,797</b>
<b>Results</b>					
Segment result before tax	(886,010)	365,995	(83,324)	(2,208,050)	(2,811,389)
Income tax expense	-	-	-	-	-
<b>Profit for the year</b>	<b>(886,010)</b>	<b>365,995</b>	<b>(83,324)</b>	<b>(2,208,050)</b>	<b>(2,811,389)</b>
<b>Assets</b>					
Segment assets	10,065,154	458,119	-	(1,192,472)	9,330,801
<b>Segment liabilities</b>					
Segment liabilities	8,231,167	1,808,143	-	(1,192,472)	8,846,838
<b>Other Segment Information</b>					
Investment in an associate (Note 13)	-	206,834	-	-	206,834
Acquisitions of other non-current segment assets	49,647	1,150	-	-	50,797
Depreciation and amortisation expense	597,619	12,333	-	-	609,952

## **Directors' Declaration CWH Resources Ltd and its Controlled Entities**

- 1 In the opinion of the directors of CWH Resources Ltd ("the Company"):
  - (a) the financial statements and notes that are set out on pages 20 to 45 are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of CWH Group's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
  - (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, as outlined in note 1(a).
- 2 The directors have been given the declaration required by Section 295A of the Corporations Act 2001 from the chairman of the Board for the financial year ended 30 June 2011.
- 3 The directors draw attention to Note 1(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Bao Cheng Luo  
*Chairman of the Board*

14 October 2011





## INDEPENDENT AUDITOR'S REPORT YEAR ENDED 30 JUNE 2011

To the members of CWH Resources Ltd:

### Report on the Financial Report

We have audited the accompanying financial report of CWH Resources Ltd ("the company") (formerly China West International Holdings Limited), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(a) the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

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**INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED 30 JUNE 2011 (continued)**

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of CWH Resources Ltd on 14 October 2011, would be in the same terms if provided to the directors as at the time of this auditor's report.

***Basis for Qualified Auditor's Opinion***

As stated in Note 4, on 6 December 2010 the group entered a contract to sell its investment in its controlled entity Chongqing Yuao Building Materials Co, Ltd ("CYBM") at a price of RMB12,910,000 (equal to A\$1,859,963 as at 30 June 2011). In preparing the consolidated accounts for the year ended 30 June 2011, CYBM has been treated as a discontinued operation. As also stated in Note 4, the sale agreement is subject to approval by a relevant government authority in China. The government approval has not yet been received.

Included in the consolidated balance sheet as at 30 June 2011 are assets of CYBM amounting to \$7,983,801, and liabilities of CYBM amounting to \$8,322,341. As stated in Note 4, the recoverable amount of those assets has been determined for the assets of CYBM as a whole, assuming that the contract for sale is completed.

The significant delay in receiving government approval for the sale casts doubt on the likelihood of completion of the sale agreement.

If the sale agreement is not completed, the abovementioned assumption supporting the determination of the recoverable amount of the assets of CYBM will not be valid.

Had the recoverable amount of CYBM's assets as at 30 June 2011 been determined on a different basis, adjustments may have been required to the carrying value of assets of the discontinued operation at that date, and an impairment loss may have had to be recognised at that date. The determination of recoverable amount may also be impacted by the possibility of closure of CYBM's production facility before 31 December 2011, as disclosed in Note 1(a).

***Qualified Auditor's Opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Auditor's Opinion paragraphs:

- (a) the financial report of CWH Resources Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).



**INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED 30 JUNE 2011 (continued)**

***Material Uncertainty Regarding Continuation as a Going Concern***

Without further qualification to our opinion expressed above, we draw attention to Note 1(a) to the financial report, which indicates that the consolidated entity has recorded a loss after income tax from continuing operations for the year ended 30 June 2011 of \$1,693,052, and a loss from discontinued operations of \$943,157 for that period; also, the balance sheet of the consolidated entity as at 30 June 2011 discloses a deficiency of net assets of \$1,205,725, and a deficiency of current assets of continuing operations in relation to current liabilities of continuing operations of \$523,233. Further, Note 4 discloses that there has been a significant delay in completing the sale of the discontinued operation, and a Chinese local government authority Notice might require closure of the operations of the discontinued operation, if not sold, before 31 December 2011.

These conditions, along with other matters as set forth in Note 1(a) and Note 4, indicate the existence of material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets at their carrying values and discharge its liabilities in the normal course of business.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

***Auditor's Opinion***

In our opinion, the Remuneration Report of CWH Resources Ltd for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

**HLB MANN JUDD**  
Chartered Accountants

A handwritten signature in black ink that reads 'D K Swindells'.

**D K Swindells**  
Partner

Sydney  
14 October 2011

## ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 21 September 2011.

### a) Twenty Largest Shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1	BELTRADING INTERNATIONAL CORP	40,476,059	53.04
2	MR CHANGXING XU	9,429,670	12.36
3	BAO CHENG LUO	5,723,607	7.50
4	LONGMAX CORPORATION LIMITED	5,000,000	6.55
5	GREATLINK DEVELOPMENT LIMITED	3,333,333	4.37
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,358,918	1.78
7	JESSIE LIM SIEW LING	842,818	1.10
8	YOKE NGOH FONG	661,200	0.87
9	MRS JIAQIN MOU	369,700	0.48
10	MR DURHAM ATKINSON	320,641	0.42
11	MR SHUPING HUANG + MRS HUI WANG	303,500	0.40
12	MR PHIROSE MAINE	300,000	0.39
13	STORMINION PASTORAL COMPANY PTY LIMITED	300,000	0.39
14	APEC INTERNATIONAL INVESTMENT GROUP PTY LTD	290,000	0.38
15	PHOENIX GREEN CAPITAL CORPORATION PTY LTD	250,000	0.33
16	CHEW WENG KIT	245,316	0.32
17	MR XIANGMING LI	240,000	0.31
18	YI ZHANG	234,900	0.31
19	MR CHOON LOY YAP	217,647	0.29
20	MR TANG TAO	176,000	0.23
<b>Totals: Top 20 holders of ORDINARY SHARES (GROUPED)</b>		<b>70,073,309</b>	<b>91.82</b>
<b>Total Remaining Holders Balance</b>		<b>6,243,306</b>	<b>8.18</b>

### b) Distribution of Equity Securities

The numbers of shareholders, by size of holding, in each class of shares are:

	Number of Holders	Number of Ordinary Shares
1 to 1,000	69	24,931
1,001 to 5,000	45	141,992
5,001 to 10,000	226	1,949,360
10,001 to 100,000	80	3,009,029
100,001 and over	28	71,191,403
<b>Total</b>	<b>448</b>	<b>76,316,615</b>

## ASX ADDITIONAL INFORMATION (continue)

### c) Substantial shareholders

Substantial shareholders (owning more than 5% of the share capital) in CWH Resources Ltd on 21 September 2011 are set out below.

	Number of Ordinary Shares	%
Beltrading International Corp	40,476,059	53.04
Mr Changxing Xu	9,429,670	12.36
Bao Cheng Luo	5,723,607	7.50
Longmax Corporation Limited	5,000,000	6.55

### d) Voting Rights

All ordinary shares carry one vote per share without restriction.

### e) Securities Exchange

The Company's securities are not quoted on any securities exchange other than the Australian Securities Exchange.

### f) Directors' Interests in Securities

Directors' relevant interests in securities of which the director is the registered holder

#### Shares

Director	Direct Interests
Bao Cheng Luo	5,723,607

# Corporate Directory

**CWH Resources Ltd**  
**30 June 2011**

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## **Directors**

Bao Cheng Luo  
Hock Guan Charles Sher  
Ke Qin Xie  
Man Chang Fu  
Wei Guo Wang  
Peter Blair

## **Company Secretary**

Eng Chuan Ow

## **Registered Office**

Suite 1503, Level 15  
97-99 Bathurst Street  
Sydney NSW 2000

## **Auditors**

HLB Mann Judd  
Level 19, 207 Kent Street  
Sydney  
NSW 2000

## **Share Registry**

Computershare Registry Investors Pty Ltd  
Level 3  
60 Carrington Street  
Sydney NSW 2000

## **Web-site**

[www.cwh.com.au](http://www.cwh.com.au)

## **Contact Information**

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