

CWH Resources Ltd

ACN 009230111

**Interim Financial Report –
For the Half-Year Ended 31 December 2012**

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**CWH Resources Ltd
Directors' Report
For the Half-Year Ended 31 December 2012**

Your directors present this interim report on the consolidated entity (referred to hereafter as "the CWH Group"), consisting of CWH Resources Ltd ("the Company") and its controlled entities for the half-year ended 31 December 2012.

Directors

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

Bao Cheng Luo	- appointed 15 August 2003
Hock Guan Charles Sher	- appointed 15 August 2003
Wei Guo Wang	- appointed 9 February 2009
Peter Blair	- appointed 20 January 2011
Shun Ming Li	- appointed 06 April 2011

Company Secretary

The Company secretaries are:

- Bao Cheng, Luo, who was appointed on 29 January 2007;
- Alistair McKeough, who was appointed on 10 February 2012

Principal Activities

The principal activities of CWH during the period were:

- manufacturing and selling of building products in China (via its subsidiary, Chongqing Yuao Building Materials Co., Ltd); and
- undertaking mining exploration.

Review of Operations

Australia

CWH has assembled an international group of directors with a blend of corporate, strategic, industry and financial skills and experience to lead the CWH Group in the coming years where it will seek major growth in revenue and diversify investment activities.

CWH holds Exploration Permits for Minerals for areas, EPM18007 and EPM18160. CWH is currently planning the exploration drilling for EPM 18007 and the negotiation with the landowner is under way.

CWH was in discussions for the acquisition of Peko tenements in the Northern Territory during September to November 2012.

CWH entered into a non-binding heads of agreement with Tangiers Petroleum Limited in connection with an opportunity to farm in to exploration permits WA-442-P and NT/P-81 in the Bonaparte Basin.

Applications for EPM18042 and EPM18158 were granted in March 2012.

**CWH Resources Ltd
Directors' Report
For the Half-Year Ended 31 December 2012**

Kazakhstan

Due to the winter weather in Kazakhstan, operations at the JV project with Discovery Ltd were temporarily suspended and are expected to recommence after the winter period.

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. The transaction is waiting for the relevant Chinese authorities' approval. Refer to note 2 for further information.

Singapore and Hong Kong

The Singapore and Hong Kong subsidiaries are presently non-operating.

Operating Results

The net loss after tax of the CWH Group for the half-year ended 31 December 2012 was \$1,644,276 (2011: loss \$713,300). Income tax expense for the half-year was \$Nil (2011: \$Nil).

The operating results of the CWH Group for the half-year ended 31 December 2012 were not affected by any item, transaction or event of a material or unusual nature.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the director's report for the half-year ended 31 December 2012.

Signed in accordance with a resolution of the directors:



Bao Cheng Luo
15 March 2013

CWH RESOURCES LTD
AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of CWH Resources Ltd:

As lead auditor for the review of CWH Resources Ltd for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

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



D K Swindells
Partner

Sydney
14 March 2013

**CWH Resources Ltd and Controlled Entities
Consolidated Statement of Financial Position
As at 31 December 2012**

	Notes	Consolidated 31 Dec 2012 \$	Consolidated 30 June 2012 \$
Current Assets			
Cash and cash equivalents		261,320	1,148,609
Trade and other receivables		33,542	3,646
Financial assets		17,640	50,608
		312,502	1,202,863
Assets classified as held for sale	2.1	9,841,783	10,456,878
Total current assets		10,154,285	11,659,741
Non-current Assets			
Other receivables		58,334	58,119
Property, plant and equipment		95,639	96,970
Other investments		2,149	2,149
Total non-current assets		156,122	157,238
Total Assets		10,310,407	11,816,979
LIABILITIES			
Current Liabilities			
Trade and other payables		347,600	406,993
Loans and borrowings	8	263,190	-
		610,790	406,993
Liabilities directly associated with assets classified as held for sale	2.2	12,350,253	11,957,414
Total current liabilities		12,961,043	12,364,407
Non-current Liabilities			
Loans and borrowings	8	271,860	716,892
Total non-current liabilities		271,860	716,892
Total Liabilities		13,232,903	13,081,299
Net Assets/(Liabilities)		(2,922,496)	(1,264,320)
EQUITY			
Share capital	3	18,435,624	18,435,624
Reserves		(1,595,061)	(1,581,161)
Accumulated losses		(19,763,059)	(18,118,783)
Total Equity/(Deficiency)		(2,922,496)	(1,264,320)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CWH Resources Ltd
Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2012

	Notes	Consolidated 31 Dec 2012 \$	Consolidated 31 Dec 2011 \$
Continuing operations			
Other income		11,775	360,890
Administrative expenses		(617,917)	(532,859)
Impairment expense		(32,968)	(66,212)
Other expenses		-	(6,885)
Results from operating activities		(639,110)	(245,066)
Finance costs		(6,848)	(11,303)
Loss before income tax		(645,958)	(256,369)
Income tax expense		-	-
Loss after income tax from continuing operations		(645,958)	(256,369)
Loss from discontinued operation	2.3	(998,318)	(456,931)
Profit/(Loss) attributable to members of CWH Resources Ltd		(1,644,276)	(713,300)
Other comprehensive income (expense)			
Foreign currency translation differences for foreign operations		(13,900)	(105,859)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		(1,658,176)	(819,159)
Earnings per share			
Basic and diluted (loss) per share (cents)		(1.76)	(0.93)

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

CWH Resources Ltd
Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2012

	Share Capital	General Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2011	15,188,814	646,067	(2,173,728)	(14,866,878)	(1,205,725)
Loss for the period	-	-	-	(713,300)	(713,300)
Exchange differences on translation of foreign operations	-	-	(105,859)	-	(105,859)
Balance at 31 December 2011	15,188,814	646,067	(2,279,587)	(15,580,178)	(2,024,884)
Balance at 1 July 2012	18,435,624	646,067	(2,227,228)	(18,118,783)	(1,264,320)
Loss for the period	-	-	-	(1,644,276)	(1,644,276)
Exchange differences on translation of foreign operations	-	-	(13,900)	-	(13,900)
Balance at 31 December 2012	18,435,624	646,067	(2,241,128)	(19,763,059)	(2,922,496)

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 Half-Year Ended 31 December 2012

Notes	Consolidated 31 Dec 2012	Consolidated 31 Dec 2011
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	4,210,042	6,085,480
Payments to suppliers, employees and others	(4,629,375)	(5,265,554)
Interest received/(paid)	5,047	(70,676)
Net cash inflow (outflow) from operating activities	(414,286)	749,250
Cash Flows from Investing Activities		
Payments for property, plant & equipment	(8,636)	(423,951)
Payments for other non-current assets	(139,965)	-
Payments for intangible assets	-	(893,510)
Net cash inflow (outflow) from investing activities	(148,601)	(1,317,461)
Cash Flows From Financing Activities		
(Repayment)/proceeds of loan from/to related parties	(342,533)	569,801
Others	(182)	-
Net cash inflow (outflow) from financing activities	(342,715)	569,801
Net increase/(decrease) in cash and cash equivalents	(905,602)	1,590
Cash and cash equivalents at the beginning of the half-year	1,179,543	12,842
Effects of exchange rate changes on cash and cash equivalents	(162)	936
Cash and cash equivalents at the end of the period	273,779	15,368
10		

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

CWH Resources Ltd
Notes to the Interim Financial Statements
For the Half-Year Ended 31 December 2012

1. Summary of Significant Accounting Policies

CWH Resources Ltd ("CWH" or "the Company") is a company limited by shares, incorporated in Australia, whose shares are traded on the Australian Securities Exchange ("ASX") and is the ultimate holding company in the CWH Group. The consolidated interim financial report for the half-year ended 31 December 2012 comprises the Company and its controlled entities ("the CWH Group").

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

(a) Statement of compliance

The consolidated interim financial report for the half-year ended 31 December 2012 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the notes of the type normally included in an annual financial report, and should be read in conjunction with the consolidated annual financial report of the CWH Group for the year ended 30 June 2012, and any public announcement made by CWH during the interim reporting period.

The consolidated interim financial report of CWH Resources Ltd was approved by the Board of Directors on 14 March 2013.

(b) Significant accounting policies

The accounting policies applied by the CWH Group in this consolidated interim financial report are the same as those applied by the CWH Group in the 30 June 2012 Annual Report.

(c) Basis of preparation

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

Estimates

The preparation of an interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated interim financial report, the significant judgements made by management in applying the CWH Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 30 June 2012 Annual Report.

Going Concern

The financial report has been prepared on a going concern basis.

As at 31 December 2012 the balance sheet of the group shows net liabilities of \$2,922,496, of which \$2,508,470 relates to a discontinued operation (refer to Note 2), leaving \$414,026 net liabilities of the continuing operations.

CWH Resources Ltd
Notes to the Interim Financial Statements (continued)
For the Half-Year Ended 31 December 2012

1. Summary of Significant Accounting Policies (continued)

(c) Basis of preparation (continued)

Going Concern (continued)

The Statement of Comprehensive Income for the half-year ended 31 December 2012 shows a loss for the period of \$ 1,644,276.

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 proposed capital raisings anticipated in the near future. Without additional 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 material 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.

(d) Discontinued operation

Assets of the discontinued operation (refer to Note 2) are measured at recoverable amount (the lower of their carrying amount and fair value less costs to sell). The assets are included at 31 December 2012 at their carrying amount, which is depreciated cost.

Non-current assets of the discontinued operation are not depreciated or amortised while they are classified as held for sale.

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.

2. 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 ("CYABM") at a price of RMB 12,910,000 (equal to \$1,995,764 Australian Dollar as at 31 December 2012). 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. Due to the time lag in obtaining that government approval, material uncertainty exists as to whether that approval will be given.

CWH Resources Ltd
Notes to the Interim Financial Statements (continued)
For the Half-Year Ended 31 December 2012

2. Discontinued operations of Chongqing Yuao Building Materials Co., Ltd (continued)

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 their 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 some of the current operations of CYBM may be required by the local government to shut down in the near future. The group has reduced the level of production from the facility.

2.1. Assets classified as held for sale

	31 Dec 2012	30 June 2012
	\$	\$
Current Assets		
Cash and cash equivalents	12,522	30,935
Trade and other receivables	766,080	878,130
Inventories	3,883,315	4,212,865
Total current assets	4,661,917	5,121,930
Non-current Assets		
Property, plant and equipment	4,246,603	4,510,466
Intangible assets	933,263	824,482
Total non-current assets	5,179,866	5,334,948
Total Assets	9,841,783	10,456,878

2.2. Liabilities directly associated with assets classified as held for sale

	31 Dec 2012	30 June 2012
	\$	\$
LIABILITIES		
Current Liabilities		
Trade and other payables	9,998,931	8,461,193
Loans and borrowings	1,467,064	1,465,049
Current tax liabilities	884,258	2,031,172
Total current liabilities	12,350,253	11,957,414
Total Liabilities	12,350,253	11,957,414

CWH Resources Ltd
Notes to the Interim Financial Statements (continued)
For the Half-Year Ended 31 December 2012

2.3. Chongqing Yuao Building Materials Co., Ltd
Statement of Comprehensive Income
For the Half-Year Ended 31 December 2012

	31 Dec 2012	31 Dec 2011
	\$	\$
Sales revenue	3,281,914	3,796,078
Cost of sales	(3,708,301)	(3,425,435)
Gross profit	(426,387)	370,643
Selling and distribution costs	(41,125)	(68,564)
Administrative expenses	(477,909)	(558,824)
Other operating expenses	(153)	(140,813)
Results from operating activities	(945,574)	(397,558)
Finance costs	(52,744)	(59,373)
Loss before income tax	(998,318)	(456,931)
Income tax expense	-	-
Loss after income tax	(998,318)	(456,931)
Other comprehensive income	-	-
Total comprehensive income	(998,318)	(456,931)

2.4. Chongqing Yuao Building Materials Co., Ltd
Cash Flow Statement
For the Half-Year Ended 31 December 2012

	31 Dec 2012	31 Dec 2011
	\$	\$
Net operating cash flows	275,961	1,203,913
Net investing cash flows	(139,965)	(1,316,083)
Net financing cash flows	(154,310)	113,354
Effect of exchange rate changes on cash and cash equivalents	-	936
Net increase in cash generated by controlled entity	(18,314)	2,120

3. Share Capital

	Company		Company	
	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
Share Capital	Number of Shares	Number of Shares	AUD	AUD
Fully paid ordinary shares	93,200,791	93,200,791	18,435,624	18,435,624

CWH Resources Ltd
Notes to the Interim Financial Statements (continued)
For the Half-Year Ended 31 December 2012

4. Related Party Transactions

During this period, CWH has paid \$15,600 for renting office space at 166 Belgrave Esplanade from 1 October 2012 to 31 December 2012. The premise is owned by CWH Director Mr. Bao Cheng Luo. Other arrangements with related parties continue to be in place. For details of these arrangements refer to the 30 June 2012 Annual Report.

5. Subsequent Events

On 14 March 2013 1,548,177 ordinary shares of the Company were issued in accordance with the terms of the \$263,190 convertible note facility entered into by the Company on 28 November 2012.

Apart from the above there were no material events subsequent to reporting date impacting upon the CWH Group.

6. Commitments and Contingencies

The CWH Group had no significant commitments for capital expenditure that were authorised and contracted as at 31 December 2012. Operating and finance lease arrangements continue to be in place and have not changed significantly to those disclosed in the June 2012 Annual Report.

In October 2010 the Company entered into a Memorandum of Understanding with R.F.G.T. Australia Pty Ltd ("RFGT") for the provision of geotechnical services. On 22 January 2011 CWH executed a Geotechnical Services Agreement with RFGT. The agreement provides for payment to RFGT of US\$396,000 and the issue of shares in the Company to the value of 2.5% of any mineral resource identified by RFGT.

RFGT provided a report to the Company and demanded payment of the sum of \$360,980. The Company asserts that the report is not in the agreed format and does not meet the required JORC standard, and the Company is not liable to make any payment to RFGT. The Company asserts that it was misled into entering the Geotechnical Services Agreement.

On 23 February 2012 the Company was served with a statement of claim in the District Court, whereby RFGT claims \$360,890 plus interest and costs in connection with payment for the services said to have been provided to the Company.

The Company disputes the claim and on 26 March 2012 the Company filed a statement of cross claim in the District Court.

The proceedings were transferred to the Supreme Court of NSW on 31 October 2012, and it is anticipated that the matter will be fixed for hearing in late 2013.

The Directors consider that no liability will result from this claim.

7. Segment Information

The CWH Group has historically had two operating segments. The China business, consisting of a cement and building products production and distribution facility, and the Australian business, primarily a corporate office and investor in strategic investments.

As stated in Note 2, the China business is a discontinued operation. Information on the discontinued operation is included in Note 2.

The Australian business is now focused on mining exploration activities.

CWH Resources Ltd
Notes to the Interim Financial Statements (continued)
For the Half-Year Ended 31 December 2012

8. Loans and Borrowings

	31 Dec 2012	30 Jun 2012
	\$	\$
Current		
Convertible note liability (i)	263,190	-
	263,190	-
Non-current		
Loans from directors (ii)	271,860	716,892
	271,860	716,892

(i) The convertible notes were issued in accordance with the Convertible Note Agreement dated 28 November 2012. Refer to note 5.

(ii) The loans from directors are unsecured, and carry an interest rate of Nil% p.a.

9. Funding Arrangements

As announced by the Company in September 2012 CWH entered into a number of agreements in relation to funding the proposed acquisition of Sitzler Savage Pty Limited to gain control of the Peko tenements. These agreements included a "Co-operation Agreement" with Jade Deluxe Holding Limited ("Jade"). Under this agreement, Jade transferred US\$4m to an escrow account controlled by solicitors. These funds were released to Jade on 30 November 2012.

Jade has confirmed that CWH has no obligation to accrue or pay interest on these funds for the period ended 31 December 2012.

10. Cash

Cash on hand at end of the period includes:

	31 Dec 2012	31 Dec 2011
	\$	\$
Cash and cash equivalents – continuing operations	261,320	2,362
Cash and cash equivalents – held in discontinued operations (Note 2.1)	12,522	13,006
	273,779	15,368

CWH Resources Ltd and its Controlled Entities Directors' Declaration

In the opinion of the directors of CWH Resources Ltd ("CWH or "the Company"):

- (a) the financial statements and notes set out on pages 4 to 13 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

Signed in accordance with a resolution of the directors:



Bao Cheng Luo
Chairman of the Board

Dated 15 March 2013

CWH RESOURCES LTD
INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CWH Resources Ltd:

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CWH Resources Ltd ("the Company"), which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, other selected explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

CWH RESOURCES LTD**INDEPENDENT AUDITOR'S REVIEW REPORT (continued)*****Independence***

In conducting our review, 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, would be in the same terms if provided to the directors as at the time of this independent auditor's review report.

Basis for Qualified Review Conclusion***Carrying value of Chongqing Yuao Building Materials Co. Ltd assets***

Included in the consolidated balance sheet is \$9,841,783 (June 2012: \$10,456,878) related to the assets of Chongqing Yuao Building Materials Co. Ltd ("CQY"), a subsidiary of CWH Resources Ltd. Included in that balance is \$4,246,306 (June 2012: \$4,510,46) of plant and equipment of CQY. The assets of CQY have been stated at their recoverable amount, which has been determined by reference to the group of assets of the discontinued operation as a whole. The directors have not assessed the recoverable value of these assets. The Company entered into an agreement for the sale of CQY on 6 December 2010, subject to the approval by the relevant Chinese authority. As of the date of this report, no such approval has been received. The significant delay in receiving the approval casts doubt on the likelihood of the completion of the sale and hence the carrying amount of the assets may be in excess of their recoverable value.

If the sale of CQY were not completed the company may be negatively impacted by the Chinese Government-issued Notice of Reinforcement for Elimination of Undeveloped Production Capacity (Yufufa [2010] No.75), which may require the closure of CQY's production facilities. This indicates that the carrying value of the property plant and equipment may be impaired. The directors have not made an assessment of any impairment loss that would need to be recognised in the financial statements.

In the absence of relevant information in connection with the recoverable amount of the CQY assets, we are unable to satisfy ourselves as to whether the assets are fairly stated at the balance date and whether any impairment loss should be recognised for the half-year ended 31 December 2012. Any adjustments to reflect an impairment loss would affect the net assets as at 31 December 2012 and the statement of comprehensive income for the period then ended.

Our auditor's report for the year ended 30 June 2012 included a similar qualification.

Qualified Reviewer's Conclusion

Except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves with respect to the limitations of scope included in the preceding paragraphs, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of CWH Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

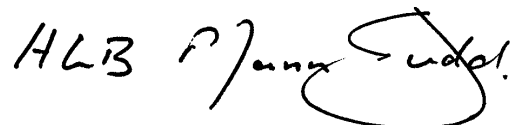
CWH RESOURCES LTD
INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Emphasis of Matter

Material Uncertainty Regarding Continuation as a Going Concern

Without further qualification to our conclusion expressed above, we draw attention to Note 1(c) to the financial report, which describes the reasons for which the financial report has been prepared on a going concern basis. Note 1(c) indicates that the continuation of normal business activities is dependent on the completion of the disposal of Chongqing Yuao Building Materials Co. Ltd and the completion of proposed capital raising. The note indicates the existence of material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets at their carrying values and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our auditor's report for the year ended 30 June 2012 included a similar comment.



HLB MANN JUDD
Chartered Accountants



D K Swindells
Partner

Sydney
15 March 2013