

## By eLodgement

Company Announcements Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

21 December 2011

Dear Sir

### **Wah Nam International Australia Pty Ltd - Off-market takeover bid for Brockman Resources Limited**

We act for Wah Nam International Australia Pty Ltd ACN 134 696 727 (**Wah Nam Australia**) in relation to its off-market takeover bid (**Bid**) for all of the ordinary shares in Brockman Resources Limited ACN 009 372 150 (**Brockman**).

In accordance with subsection 633(1C) of the Corporations Act 2001 (Cth) (inserted by ASIC Class Order 01/1543), we attach, on behalf of Wah Nam Australia, a copy of the bidder's statement that will be sent to Brockman shareholders. Despatch of these documents commenced today.

Yours faithfully



#### **Mark Paganin, Partner**

D 9426 8284

F 9481 3095

M 0412 904 188

E mpaganin@claytonutz.com

#### **Contact: Stephen Neale, Senior Associate**

D 9426 8248

F 9426 3095

E sneale@claytonutz.com

#### **Attach**

# Bidder's Statement Cash and Scrip



**Wah Nam**  
International Holdings Limited  
華南投資控股有限公司

## Offer

by

**WAH NAM INTERNATIONAL AUSTRALIA PTY LTD**  
ACN 134 696 727

a wholly owned subsidiary of

**WAH NAM INTERNATIONAL HOLDINGS LIMITED**  
ARBN 143 211 867

to purchase all your shares in

**BROCKMAN RESOURCES LIMITED**  
ACN 009 372 150

**You will receive A\$1.50 cash and  
18 Wah Nam International Shares  
for every Brockman Share held**

**The Offer is dated 21 December 2011 and will close at  
4:00pm (WST) on 23 January 2012 unless extended.**

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH THIS DOCUMENT,  
YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER AS SOON AS POSSIBLE.

Corporate Adviser  
to Wah Nam International Australia Pty Ltd

**E.L.&C. Baillieu**  
Founded 1889

Legal Adviser  
to Wah Nam International Australia Pty Ltd

**CLAYTON UTZ**

## IMPORTANT INFORMATION

### Important dates

<b>Announcement of the Offer</b>	<b>12 December 2011</b>
<b>Bidder's Statement lodged with ASIC</b>	<b>13 December 2011</b>
<b>Date of the Offer</b>	<b>21 December 2011</b>
<b>Offer Period opens</b>	<b>9:00am (WST) on 21 December 2011</b>
<b>Offer Period closes (unless extended)</b>	<b>4:00pm (WST) on 23 January 2012</b>

### Bidder's Statement

This document is the Bidder's Statement issued by Wah Nam International Australia Pty Ltd (**Wah Nam Australia**), a wholly-owned subsidiary of Wah Nam International Holdings Limited (**Wah Nam International**), to Brockman Resources Limited (**Brockman**) under Chapter 6 of the Corporations Act in relation to the Offer contained in Section 13 of this Bidder's Statement.

A copy of this Bidder's Statement has been lodged with ASIC and the ASX. Neither ASIC, nor the ASX or any of their officers take any responsibility for the content of this Bidder's Statement. The date of this Bidder's Statement is 13 December 2011.

### No account of personal circumstances

This Bidder's Statement does not take into account the individual investment objectives, financial situation and particular needs of each shareholder of Brockman. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

### Notice to overseas shareholders

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions.

This document has been prepared having regard to Australian disclosure requirements and Australian accounting standards. These disclosure requirements and accounting standards may differ from those in other countries.

This document does not constitute an offer to acquire Brockman Shares from Brockman Shareholders in any jurisdiction in which such an offer would be illegal.

### Notice to Brockman Shareholders who would receive an Unmarketable Parcel on acceptance of the Offer

Wah Nam International Shares will not be issued as part of the Offer Consideration to Unmarketable Parcel Holders who accept the Offer. Instead, the Wah Nam International Shares which would otherwise have been issued to you will be issued to a nominee approved by ASIC, who will sell those Wah Nam International Shares and pay the net proceeds of such sale to you by cheque.

Unmarketable Parcel Holders are those Brockman Shareholders who, if they accept the Offer, would be issued Wah Nam International Shares that would not constitute a marketable parcel within the meaning of the ASX Operating Rules Procedures.

### Hong Kong Shareholders

This Bidder's Statement is not a prospectus under Hong Kong laws, and has not been registered, filed with or approved by any Hong Kong regulatory authority under, or in accordance with, the Companies Ordinance (Cap.32) (or any other relevant Hong Kong laws). This Bidder's Statement may not contain all the information that a prospectus under Hong Kong laws is required to contain.

Wah Nam Australia expects that any Brockman Shareholder whose address, as shown in the Brockman register of members, is in Hong Kong (each a **HK Shareholder**) and who accepts the Offer will be able to receive Wah Nam International Shares under the terms of the Offer in reliance on an exemption from the need to prepare and publish a prospectus under Hong Kong laws. However, in the event that the number of HK Shareholders is more than 50, HK Shareholders will be treated as Ineligible Overseas Shareholders (see Section 13.6 for details).

Warning: The contents of this Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

### **Singapore Shareholders**

The Bidder's Statement has not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, the Bidder's Statement may not be issued, circulated or distributed, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with the exemption in section 273(1)(b) of the Securities and Futures Act, Cap 289 of Singapore (**SFA**) or any other exemptions as set out in Part XIII, Division 1, Subdivision 4 of the SFA.

The Bidder's Statement has been given to you:

- (i) on the basis that you are an existing holder of Brockman Shares; and
- (ii) in connection with the Offer pursuant to which Wah Nam International Shares will be allotted and issued to you in the event that you accept the Offer.

In the event you are not an investor falling within (i) above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

The Offer is not made to you with a view to the Wah Nam International Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Wah Nam International Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

### **Forward-looking statements**

Statements contained in this document may contain forward-looking statements including statements with respect to Wah Nam Australia's current intentions (which include those in Section 8), statements of opinion and predictions of possible future events. Statements in this document that are not historical facts are "forward-looking statements".

Forward-looking statements relate to future matters and are subject to inherent risks and uncertainties. These risks and uncertainties include risks that are specific to the mineral resources industry as well as matters such as general economic conditions, many of which are outside the control of Wah Nam Australia, Wah Nam International and their directors. These factors may cause the actual results, performance or achievements of Wah Nam International to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward-looking statements. The past performance of Wah Nam International is not a guarantee of future performance.

The forward-looking statements do not constitute a representation that future profits (or any other matter) will be achieved in the amounts or by the dates indicated and are presented as a guide to assist Brockman Shareholders in assessing the Offer. The financial information and other forward-looking statements are based on information available to Wah Nam Australia at 12 December 2011 and should be read in conjunction with the assumptions underlying their preparation as set out in Section 6.8.

Actual outcomes may differ materially from the events, intentions or results expressed or implied by any forward-looking statement in this document.

None of Wah Nam International, Wah Nam Australia, their officers, or persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any intentions or outcomes expressed or implied in any forward-looking statement. You are cautioned not to place undue reliance on any forward-looking statement having regard to the fact that the outcome may not be achieved.

### **Disclaimer as to Brockman information**

The information in this Bidder's Statement concerning Brockman, and the assets and liabilities, financial position and performance, profits and losses and prospects of Brockman has been prepared by Wah Nam Australia using publicly available information and has not been independently verified by Wah Nam Australia or its directors. Accordingly, subject to the Corporations Act, Wah Nam Australia makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Combined Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Brockman, has also been prepared using publicly available information. Accordingly, information in relation to the Combined Group is subject to the foregoing disclaimer to that extent.

Further information relating to Brockman's business may be included in Brockman's target statement which Brockman must provide to Brockman Shareholders in response to this Bidder's Statement, and reference should be made to that information.



## Privacy

Wah Nam Australia, Wah Nam International and their share registrars may collect your information in the process of making and implementing the Offer, including information from the register of Brockman Shareholders for the purposes of making the Offer and, if accepted, administering your acceptance and establishing your holding in Wah Nam International Shares. Your information may be disclosed on a confidential basis to Wah Nam International or its related bodies corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC.

## Currency

Unless otherwise stated, the exchange rates used in this Bidder's Statement are the exchange rates at 1:00pm (WST) as published by the Reserve Bank of Australia on 9 December 2011, being A\$/HK\$: 7.8825.

## Defined terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 14.

## Shareholder enquiries

If you have any queries regarding the Offer, please contact the Shareholder Information Line on 1300 582 820 (toll free for callers in Australia) or +61 3 9415 4811 (for callers outside Australia), Monday to Friday, 6:00am to 2:00pm (WST).

**This is an important document and should be read in its entirety before you decide whether to accept the Offer. If you are in any doubt about how to deal with this document or whether to accept the Offer, you should consult your legal, financial or other professional adviser.**

# Contents

<b>IMPORTANT INFORMATION</b>	<b>i</b>
<b>Chairman's letter</b>	<b>2</b>
<b>1. Why you should ACCEPT the Offer</b>	<b>3</b>
<b>2. Summary of the Offer and how to accept it</b>	<b>7</b>
<b>3. Information about Wah Nam International</b>	<b>10</b>
<b>4. Information about Wah Nam International Securities</b>	<b>27</b>
<b>5. Information on Brockman</b>	<b>32</b>
<b>6. The Combined Group</b>	<b>37</b>
<b>7. Risks</b>	<b>44</b>
<b>8. Wah Nam Australia's and Wah Nam International's Intentions</b>	<b>51</b>
<b>9. Sources of Consideration</b>	<b>54</b>
<b>10. Australian Taxation Considerations</b>	<b>57</b>
<b>11. Investigating Accountant's Report</b>	<b>60</b>
<b>12. Other Material Information</b>	<b>64</b>
<b>13. The Offer</b>	<b>72</b>
<b>14. Definitions and Interpretation</b>	<b>83</b>
<b>15. Approval of Bidder's Statement</b>	<b>90</b>
<b>Appendix</b>	<b>91</b>
<b>CORPORATE DIRECTORY</b>	<b>95</b>

# Chairman's letter



**Wah Nam**  
**International Holdings Limited**  
華南投資控股有限公司

## Dear Brockman Shareholder,

On behalf of the directors of Wah Nam International, I am pleased to present you with an offer by Wah Nam Australia to acquire all of your shares in Brockman.

Wah Nam Australia is offering:

- A\$1.50 cash; and
- 18 Wah Nam International Shares,

per Brockman Share held.

The Implied Value of the Offer represents an attractive premium of 34% to Brockman's closing price on 9 December 2011. Wah Nam International believes that the Offer represents a compelling opportunity for you to realise value from your Brockman Shares.

As a result of the Previous Brockman Bid, Wah Nam Australia currently owns 55.33% of Brockman. Since the close of the Previous Brockman Bid, Wah Nam International has carefully reviewed its investment in Brockman and has decided to seek to acquire 100% ownership.

The Independent Brockman Directors recommended that you accept the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable.

The Independent Brockman Directors have also indicated that, in the absence of a Superior Proposal and subject only to the Independent Expert concluding that the Offer is fair and reasonable, they intend to accept the Offer for their shareholdings no later than 2 days after the Conditions set out in paragraphs 13.9(a), (b), (c) and (d) are satisfied.

Section 1 of this Bidder's Statement outlines various reasons for accepting the Offer. Wah Nam International encourages you to read Section 1 along with the rest of this Bidder's Statement.

If you have any questions about the Offer, please contact the Shareholder Information Line on 1300 582 820 (toll free for callers in Australia) or +61 3 9415 4811 (for callers outside Australia), Monday to Friday, 6:00am to 2:00pm (WST).

Yours sincerely,

Luk Kin Peter Joseph  
Chairman  
Wah Nam International Holdings Limited



Incorporated in Bermuda with limited liability  
SEHK Stock Code: 159  
ASX Stock Code: WNI

Room 2805, 28/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central,  
Sheung Wan, Hong Kong  
Tel: +852 3169 3631 Fax: +852 3169 3630 Email: enquiry@wnintl.com

# 1. Why you should ACCEPT the Offer

Wah Nam International believes **you should ACCEPT the Offer** for the following key reasons:

- 1** You are being offered a substantial premium of 34% based on the closing price of Wah Nam International Shares on the HKEx on 9 December 2011.
- 2** The Independent Brockman Directors unanimously recommend you accept the Offer in the absence of a Superior Proposal and subject only to the Independent Expert concluding that the Offer is fair and reasonable.
- 3** Brockman's position, with a controlling shareholder whose main asset is its holding in Brockman, is not optimal. A consolidation of 100% of Brockman will allow Wah Nam International to accelerate development of the Marillana Project within one entity.
- 4** As a Brockman Shareholder, you have the opportunity to obtain some liquidity for your Brockman Shares by receiving A\$1.50 cash per Brockman Share held as well as participating in the success of the Marillana Project as a Wah Nam Shareholder.
- 5** No alternative proposal has emerged, or is likely to emerge, as Wah Nam International already has control of Brockman.
- 6** In the absence of the Offer, Brockman's Share price is unlikely to reach the Implied Value in the foreseeable future.
- 7** No brokerage or stamp duty will be payable by you on the transfer of your Brockman Shares under the Offer.

There are risks associated with investing in Wah Nam International. Before deciding whether to accept the Offer, Brockman Shareholders should read this Bidder's Statement in its entirety, including Section 7 which provides information on the key risks.

## 1.1 You are being offered a substantial and attractive premium

Wah Nam Australia is offering A\$1.50 cash and 18 Wah Nam International Shares for each Brockman Share held.

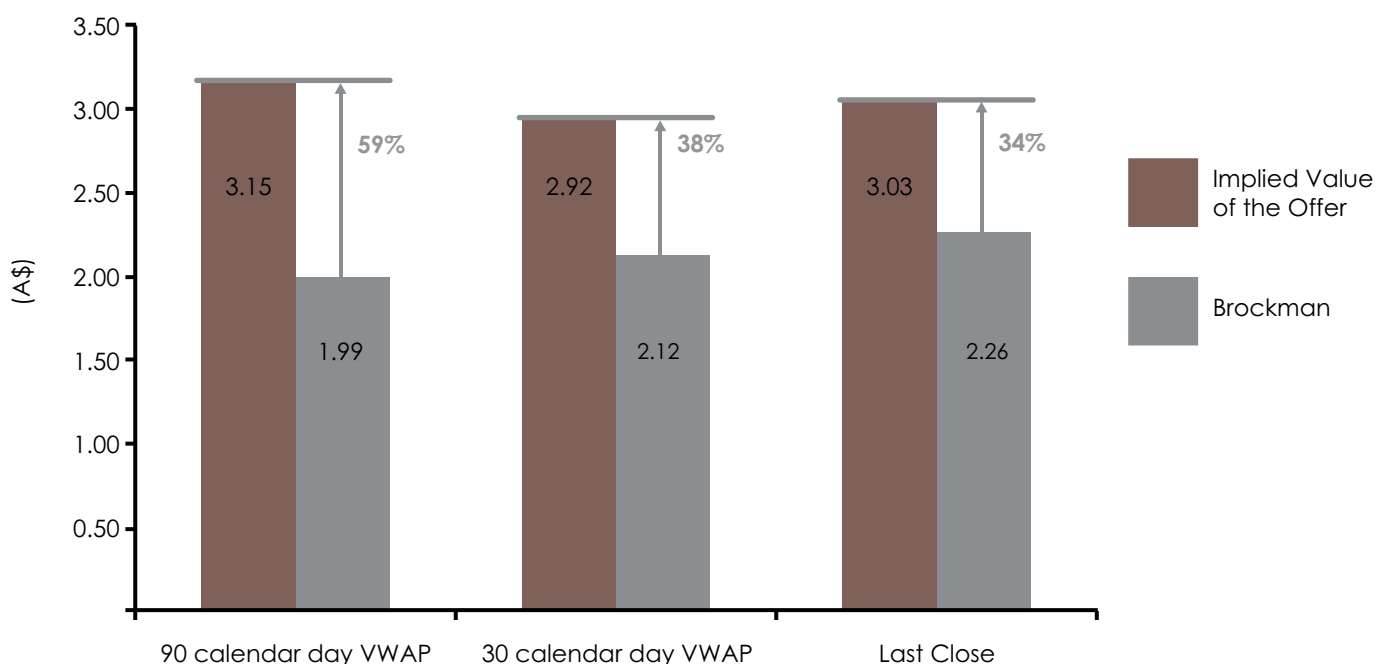
Based on the closing price of a Wah Nam International Share on the HKEx on the day prior to the Announcement Date, the Offer values your Brockman Shares at A\$3.03 per Brockman Share (**Implied Value**).

The Implied Value represents a substantial 34% premium to the Pre-Announcement Price immediately prior to the Announcement Date. The Offer also represents a significant premium to the recent trading history of your Brockman Shares, namely:

- ~A\$3.15, based on the 90 calendar day VWAP<sup>1</sup> of Wah Nam International Shares to 9 December 2011, representing a premium of ~A\$1.17 per Brockman Share or ~59% when compared to the 90 calendar day VWAP of Brockman's Shares to 9 December 2011.
- ~A\$2.92, based on the 30 calendar day VWAP<sup>2</sup> of Wah Nam International Shares to 9 December 2011, representing a premium of ~A\$0.80 per Brockman Share or ~38% when compared to the 30 calendar day VWAP of Brockman's Shares to 9 December 2011.
- ~A\$3.03<sup>3</sup>, based on the last closing price of Wah Nam International Shares on 9 December 2011, representing a premium of ~A\$0.77 per Brockman Share or ~34% when compared to the last closing price of Brockman's Shares on 9 December 2011.

Figure 1 demonstrates the attractive premiums the Implied Value represents to recent trading prices of Brockman Shares.

Figure 1: Implied Value premiums



The value of the Offer will change from time to time based on movements in the Wah Nam International Share price and the A\$/HK\$ exchange rate.

## 1.2 Board recommendation

The Independent Brockman Directors recommend that Brockman Shareholders accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable.

Each Independent Brockman Director advises that, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable, they intend to accept the Offer in regard to any Brockman Shares they own or control no later than 2 days after the Conditions set out in paragraphs 13.9(a), (b), (c) and (d) are satisfied.

<sup>1</sup> VWAP calculated by converting the daily value of Wah Nam International Shares traded to A\$ using the respective daily A\$:HK\$ exchange rate

<sup>2</sup> VWAP calculated by converting the daily value of Wah Nam International Shares traded to A\$ using the respective daily A\$:HK\$ exchange rate

<sup>3</sup> Calculated based on Wah Nam International closing share price of HK\$0.67 on 9 December 2011, converted to A\$ using A\$:HK\$ exchange rate of 7.8825 as at 9 December 2011

### 1.3 Brockman's position is not optimal

Based on the information available to Wah Nam International, it has become apparent that significant additional investment of resources is required to complete the development of the Marillana Project.

Wah Nam International's largest asset is its investment in Brockman. Since taking control of Brockman, Wah Nam International has sought to accelerate the development of the Marillana Project for the benefit of all Brockman Shareholders, this has included instigating a number of changes, such as:

- the appointment of new directors with experience in project management, construction, iron ore operations in the Pilbara as well as corporate and financing experience;
- the commencement of a strategic review of Brockman's business to oversee Brockman's transition to an iron ore producer;
- the appointment of an operations general manager with over 30 years experience developing, operating and managing mines in Australia and overseas; and
- an executive search for a permanent CEO.

Wah Nam International has determined that it should move to take full ownership of Brockman, in order to justify assuming the risks associated with this further investment.

Wah Nam International's decision is based on its belief that a move to 100% ownership will:

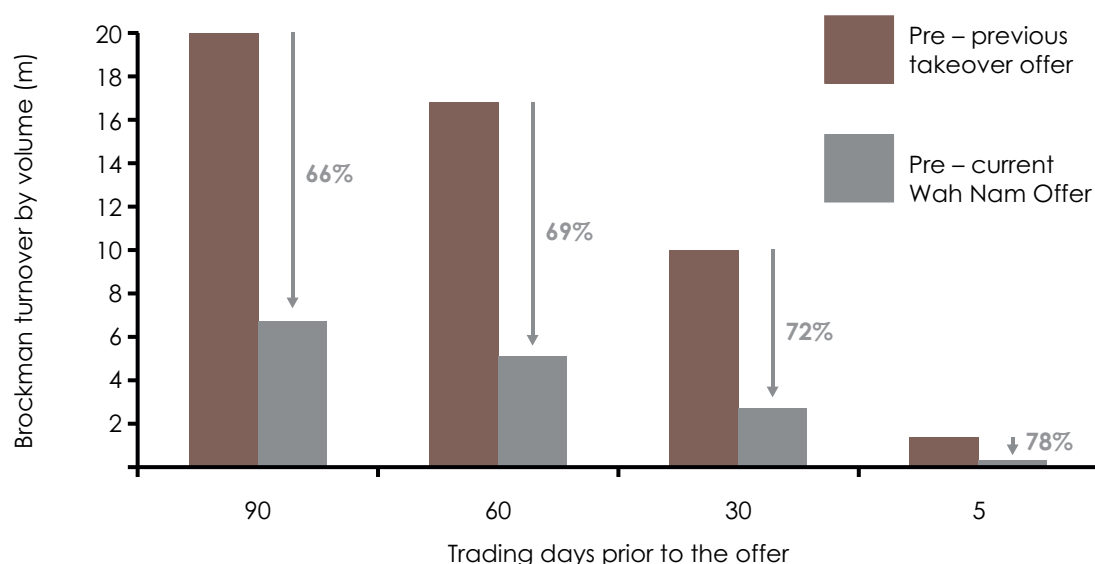
- aid in the future financing and development decisions that will need to be made;
- simplify the shareholding structure of Brockman and consolidate ownership into one entity; and
- provide investors with one vehicle in which they can invest in the future success of the Marillana Project.

### 1.4 Liquidity and participation in future success

The Offer is an opportunity for Brockman Shareholders to realise their investment in Brockman at an attractive premium.

The volume of Brockman Shares traded on the ASX has reduced significantly since the Previous Brockman Bid, as illustrated in the table below.

Figure 2: Brockman liquidity



The relatively low liquidity in the public market for Brockman Shares is partly due to Wah Nam Australia's 55.33% interest. Accordingly, if the Offer is not successful, the low level of liquidity for Brockman Shares is expected to continue.

The Offer provides Brockman Shareholders with the opportunity to realise their investment in Brockman through the receipt of A\$1.50 cash for each Brockman Share held within 14 days of the Offer going unconditional.

In addition to receiving cash, Brockman Shareholders will receive 18 Wah Nam International Shares for each Brockman Share held. Wah Nam International Shares are listed on the ASX and the HKEx.

Receipt of Wah Nam International Shares will allow Brockman Shareholders to continue to participate in any upside from the development of the Marillana Project within one consolidated entity.

## 1.5 No alternative proposal

Since the initial announcement on 10 November 2011 that Wah Nam International and Brockman were in preliminary discussions regarding a corporate transaction, speculation of a potential takeover transaction has been widely publicised and no alternative proposal has emerged.

Given the time elapsed since the initial announcement and the fact that Wah Nam Australia owns 55.33% of Brockman, Wah Nam International believes that an alternative Superior Proposal is unlikely to emerge.

## 1.6 Share price stagnation

The Offer is significantly above the trading price of Brockman Shares prior to the announcement of the Offer and the recent trading activity since Wah Nam International assumed control. Wah Nam International and the Independent Brockman Directors believe that the Brockman Share price will remain at these levels in the near future if the Offer is not successful.

## 1.7 No brokerage or stamp duty

You will not incur any brokerage or stamp duty on the transfer of your Brockman Shares to Wah Nam Australia pursuant to the Offer. Brokerage fees are otherwise payable if you choose to sell your Brockman Shares on the ASX.

## 1.8 Consequences of not Accepting

If you choose not to accept the Offer, there are certain risks of which you should be aware.

- Should Brockman Shares remain listed on the ASX, the market for your Brockman Shares may be less liquid or active. Therefore, it could be difficult for you to sell your Brockman Shares after the Offer Period ends, should you choose to do so.
- As stated before, if the Offer ends without being successful, Brockman Shares may revert towards pre-bid price levels in the absence of a Superior Proposal from another bidder. The emergence of another bidder is unlikely, particularly as Wah Nam Australia already has sufficient Brockman Shares to prevent another bidder from gaining effective control.
- If Wah Nam Australia is successful in gaining a 90% or more interest in Brockman through acceptances of the Offer, and if entitled to do so under the Corporations Act, Wah Nam Australia intends to proceed with the compulsory acquisition of any Brockman Shares not acquired under the Offer.
- If Wah Nam Australia is successful in gaining a 80% or more interest in Brockman through acceptances of the Offer then, unless Brockman has more than the required spread of shareholders under the ASX Listing Rules, it intends to make an application to remove Brockman from the official list of the ASX.

You should consult with your Broker or financial adviser to ascertain the impact of the risks outlined above on the value of your Brockman Shares.

## 2. Summary of the Offer and how to accept it

The following is a summary only of the Offer and is qualified by the information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Brockman Shares.

<p><b>What is the Offer?</b></p>	<p>Wah Nam Australia is offering to acquire all of your Brockman Shares for A\$1.50 cash and 18 Wah Nam International Shares for each Brockman Share held, on the terms and conditions set out in Section 13.</p>
<p><b>What is the value of the Offer?</b></p>	<p>The Offer Consideration values each Brockman Share at A\$3.03, and represents an attractive premium to the Pre-Announcement Price of Brockman Shares. The value of the Offer may change as a consequence of changes in the market price of Wah Nam International Shares and the A\$/HK\$ exchange rate from time to time.</p>
<p><b>Who is making the Offer?</b></p>	<p>The Offer is being made by Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of Wah Nam International Holdings Limited.</p> <p>Wah Nam International is an investment holding company listed on the ASX and the HKEx.</p> <p>Further information on Wah Nam International is set out in Section 3.</p>
<p><b>How do I accept the Offer?</b></p>	<p>You may only accept the Offer in respect of all of your Brockman Shares. To accept the Offer:</p> <ul style="list-style-type: none"> <li>■ <b>if your Brockman Shares are issuer sponsored directly by Brockman</b>, complete and sign the enclosed Acceptance Form in accordance with the instructions on it and send it in the enclosed envelope to the address indicated on the Acceptance Form; or</li> <li>■ <b>if you hold your Brockman Shares in a CHESS Holding</b>, either:             <ul style="list-style-type: none"> <li>(a) complete and sign the enclosed Acceptance Form in accordance with the instructions on it and send it in the enclosed envelope to the address indicated on the Acceptance Form; or</li> <li>(b) instruct your Broker or other Controlling Participant (usually your broker) to initiate acceptance of the Offer on your behalf; or</li> </ul> </li> <li>■ <b>if you are a Participant</b>, initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules, ensuring that your acceptance is received before the end of the Offer Period.</li> </ul> <p>Detailed instructions on how to accept the Offer are set out in Section 13.5 and on the enclosed Acceptance Form.</p>
<p><b>Can I accept the Offer in respect of a part of my holding?</b></p>	<p>Subject to paragraph 13.4(a)(ii), you may only accept this Offer in respect of all of your Brockman Shares.</p>
<p><b>When does the Offer close?</b></p>	<p>The Offer is scheduled to close at 4:00pm (WST) on 23 January 2012. You should note that the Offer Period can be extended as permitted by the Corporations Act.</p>



<p><b>What are the conditions of the Offer?</b></p>	<p>The Offer is subject to the Statutory Condition set out in Section 13.15 and the Conditions set out in Section 13.9, including:</p> <ul style="list-style-type: none"> <li>■ approval by the Treasurer under the Foreign Acquisitions and Takeovers Act;</li> <li>■ approval of Wah Nam International Shareholders;</li> <li>■ completion of the Subscription Agreement;</li> <li>■ completion of the Underwriting Agreement; and</li> <li>■ acquiring at least 80% of the Brockman Shares.</li> </ul> <p>The Wah Nam International Shareholder meeting to consider the Offer is expected to be held on 6 January 2012.</p> <p>The status of the Conditions as at the date of this Bidder's Statement is discussed in Section 13.14.</p>
<p><b>Are there any risks involved in accepting the Offer?</b></p>	<p>There are a number of risks that may have a material impact upon the implementation of the Offer, the future performance of Wah Nam International and the value of Wah Nam International Shares. These are described in this Bidder's Statement and include those risks set out in Section 7.</p>
<p><b>What happens if the Conditions are not satisfied or waived?</b></p>	<p>If the Conditions are not satisfied or waived by the end of the Offer Period, the Offer will lapse.</p>
<p><b>What happens if I accept?</b></p>	<p>If the Offer becomes or is declared unconditional, you will receive A\$1.50 cash and 18 Wah Nam International Shares for each of your Brockman Shares.</p> <p>Once you accept the Offer, (even while it remains subject to Conditions) you will not be able to sell your Brockman Shares on the ASX or otherwise transfer ownership, subject to a limited statutory right to withdraw your acceptance.</p>
<p><b>If I accept the Offer can I later withdraw my acceptance?</b></p>	<p>You may only withdraw your acceptance of the Offer if, after you have accepted the Offer and while the Offer is still subject to the Conditions, the Offer is varied in such a way as to delay the time by which you will receive your Offer Consideration by more than one month. A notice will be sent to you at the time explaining your rights in this regard.</p>
<p><b>What will happen if Wah Nam Australia improves the Offer Consideration?</b></p>	<p>If Wah Nam Australia improves the Offer Consideration, all Brockman Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Offer Consideration, should the Offer become or be declared unconditional.</p>
<p><b>If I accept the Offer, when will I receive my Wah Nam International Shares?</b></p>	<p>If you accept the Offer (and the Conditions are satisfied or waived) in accordance with the instructions contained in the Offer and the Acceptance Form, you will be sent your Wah Nam International Shares within 14 days after the date that you accept, or if the Offer is subject to Conditions when you accept the Offer, within 14 days after the date the Offer becomes, or is declared, free of the Conditions.</p>
<p><b>What will the tax consequences be?</b></p>	<p>Section 10 summarises the tax implications for Brockman Shareholders who accept the Offer and are resident for tax purposes in Australia.</p>
<p><b>Do I pay brokerage or stamp duty if I accept?</b></p>	<p>You will not pay brokerage or stamp duty on the disposal of your Brockman Shares if you accept the Offer.</p> <p>However, if you sell your Brockman Shares on the ASX or you instruct your Controlling Participant to accept the Offer on your behalf, you may incur fees or brokerage charges.</p>

<p><b>What happens if I do not accept?</b></p>	<p>You will remain a Brockman Shareholder and will not receive the consideration offered by Wah Nam Australia.</p> <p>If Wah Nam Australia becomes entitled to compulsorily acquire your Brockman Shares, it intends to do so. If your Brockman Shares are compulsorily acquired by Wah Nam Australia, it will be on the same terms as the Offer. However, you will receive the Offer Consideration later than the Brockman Shareholders who choose to accept the Offer.</p>
<p><b>If I accept the Offer I would receive an Unmarketable Parcel. Can I accept the Offer?</b></p>	<p>Wah Nam International Shares will not be issued as consideration to Unmarketable Parcel Holders. Please see Section 13.6 for further details.</p>
<p><b>I am not resident in Australia. Can I accept the Offer?</b></p>	<p>Wah Nam International Shares will not be issued as consideration to Ineligible Overseas Shareholders. Please see Section 13.6 for further details.</p>
<p><b>I am a Brockman Employee Loan Holder. Can I accept the Offer?</b></p>	<p>Yes, please see Section 12.4 for further details.</p>
<p><b>Can I trade my Wah Nam International Shares on the HKEx and the ASX?</b></p>	<p>You can choose to have Wah Nam International Shares registered on the Australian Share Register or the Hong Kong Share Register. You can readily change the register on which your Wah Nam International Shares are held. Please see Section 4.2 for more details.</p>
<p><b>What if I require further information?</b></p>	<p>If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Shareholder Information Line on 1300 582 820 (toll free for callers in Australia) or +61 3 9415 4811 (for callers outside Australia), Monday to Friday, 6:00am to 2:00pm (WST).</p>

# 3. Information about Wah Nam International

## 3.1 Background

Wah Nam International is incorporated in Bermuda and listed on the HKEx (159) and the ASX (WNI).

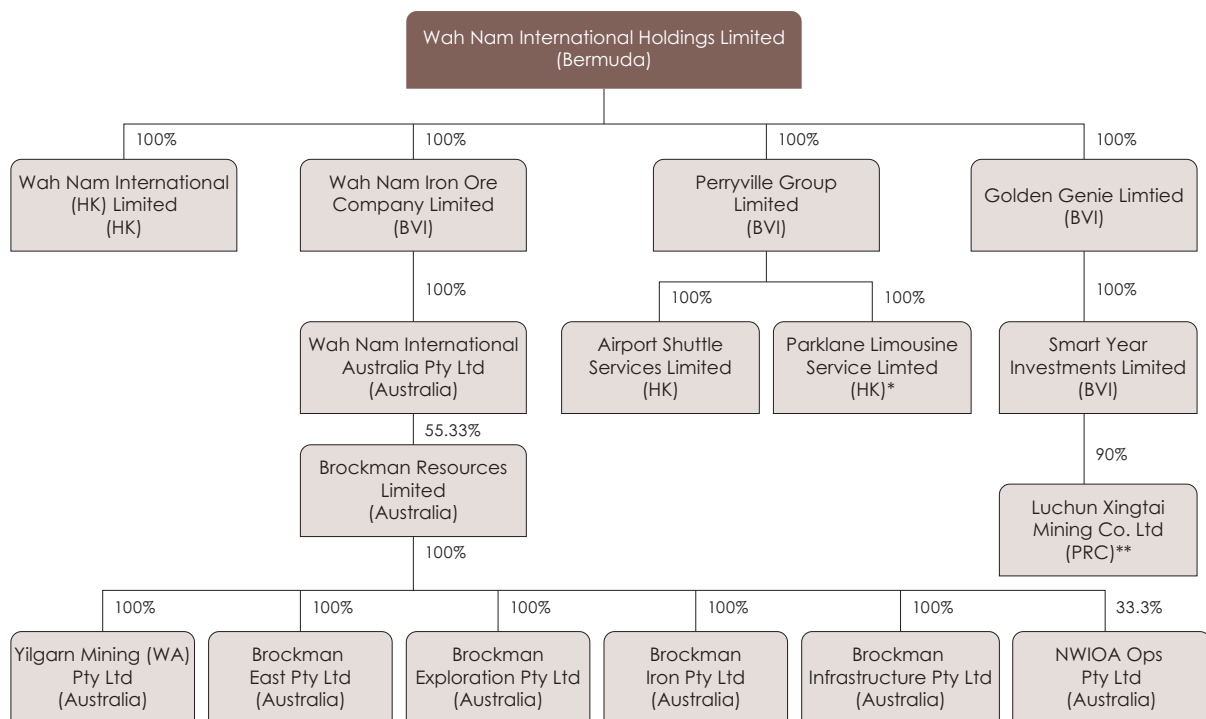
Wah Nam International is a diversified company with investments in copper, zinc, lead, mineral exploration and transport. Wah Nam International is focused on being a developer of strategic mining assets in politically stable, mineral resource-rich countries.

Wah Nam International's proposed acquisition of 100% of Brockman is part of this focus.

## 3.2 Corporate structure

Wah Nam International is governed by the Companies Act, the HKEx Listing Rules and the ASX Listing Rules. It is a foreign company for the purposes of the Corporations Act.

A summary of its corporate structure is below:



\* Parklane Limousine Service Limited (HK) has a number of wholly owned subsidiaries not shown in this diagram.

\*\* English name is for identification purpose only.

### 3.3 Principal activities of Wah Nam International

Wah Nam International, through its Subsidiaries, is principally engaged in:

- the exploration and development of iron ore assets in the Pilbara region of Western Australia through its majority interest in Brockman;
- the exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC through its majority interest in Luchun Xingtai Mining; and
- the provision of transport services in Hong Kong and the PRC.

#### (a) Exploration and development of iron ore assets

Following the close of the Previous Brockman Bid on 15 June 2011, Wah Nam Australia held, and currently holds, 55.33% of Brockman.

Brockman is an ASX-listed Australian iron ore development company with a market capitalisation of approximately A\$327.3 million as at 9 December 2011.

Since taking control of Brockman, Wah Nam International has sought to accelerate the development of Brockman's key assets for the benefit of all Brockman Shareholders.

For more information on Brockman and its key projects, please refer to Section 5.

#### (b) Exploration, processing and sales of Mineral Resources

Through its 90% owned Subsidiary, Luchun Xingtai, Wah Nam International engages in the exploitation, processing and sales of copper, lead, zinc, arsenic, silver and other mineral resources.

Luchun Xingtai owns 100% of the Damajianshan Mine which is located in Qimaba Township, Luchun County of Yunnan Province in the PRC.

Figure 3: The Damajianshan Mine

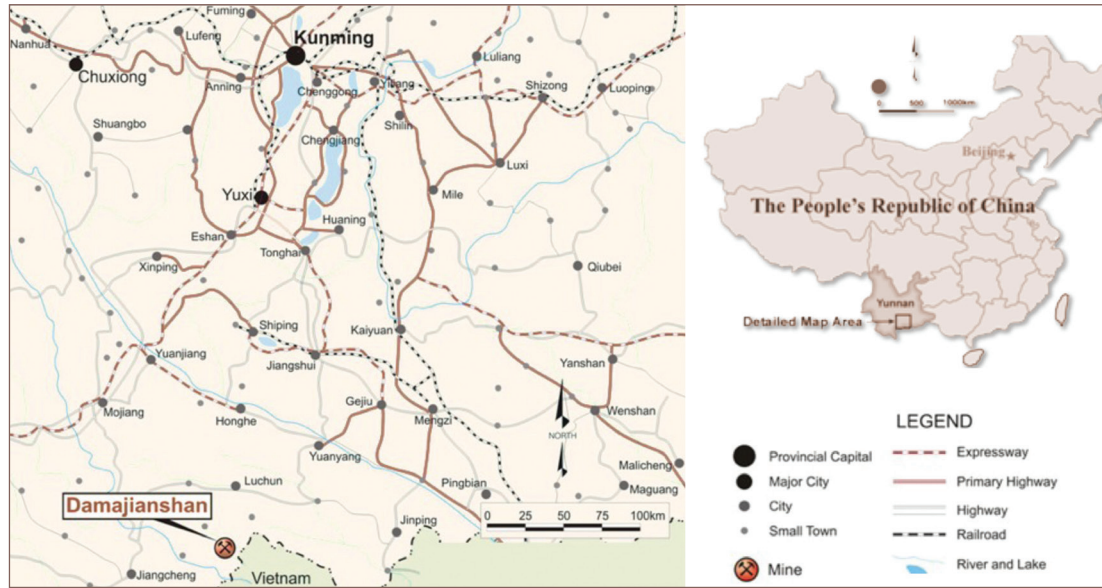


The Damajianshan Mine right covers 3.67 square kilometres including approximately 7.6 million tonnes of Ore Reserves, with an average Cu grade of 1.46%, and Mineral Resources of approximately 15.2 million tonnes, with an average Cu grade of 1.68%.

The Damajianshan Mine operation has the potential to produce over 429,000 tonnes per annum for more than 18 years.



Figure 4: Location of Damajianshan Mine



In addition to development potential, the Damajianshan Mine has a history of production and operations. A summary of recent operations is set out below.

Table 1: Damajianshan Mine ore production (after 2008)<sup>1</sup>

Year	Ore mined (t)	Ore processed (t)	Cu concentrate (t)
2008	81,922.45	86,468.00	1,816.00
2009	49,907.22	50,706.70	1,241.98
2010	69,130.66	70,623.03	1,882.63
2011*	43,170.96	10,893.00	282.23
<b>Total</b>	<b>244,131.29</b>	<b>218,690.73</b>	<b>5,222.84</b>

\*(Jan to June)

Since its acquisition of the Damajianshan Mine, Wah Nam International has invested significantly in its future including:

- new crushing and screening machines with better crushing strength to enhance production and reduce spoilage;
- new drilling works and detailed prospecting and scoping plans to better define the lithology grade and assemblage with the mining lease;
- prospecting and tunnelling work of 493.1m during the September quarter 2011; and
- continued geophysical survey work.

As at November 2011, the Damajianshan Mine had Ore Reserves of 7,554kt and Mineral Resources of 15,238.87kt.

<sup>1</sup> Tables 1, 2 and 3 are included in a Luchun Xingtai Damajianshan Mine Independent Geologist's Report prepared by Christopher Arndt, Consulting Geologist in collaboration with Xianping Zhu, Consulting Geophysicist, and Huairan Li, Consulting Geologist in accordance with the JORC Code dated 11 November 2011 (**Independent Geologist's Report**). The Independent Geologist's Report was prepared for Wah Nam International. Mr Arndt has consented to Tables 1, 2 and 3 being included in the Bidder's Statement.

**Table 2: Mineral Resources**

JORC Mineral Resource	Tonnage (kiloton) ("kt")	Grades					
		Cu %	As %	Pb %	Zn %	Bi %	Ag g/t
Measured	4,408	1.79	6.83	1.54	0.37	0.24	51.1
Indicated	3,153	1.70	7.52	1.79	0.52	0.25	57.4
Subtotal	7,561	1.75	7.11	1.64	0.43	0.24	53.6
Inferred	7,678	1.61	6.48	2.18	0.48	0.24	63.1
<b>Total</b>	<b>15,239</b>	<b>1.68</b>	<b>6.80</b>	<b>1.91</b>	<b>0.46</b>	<b>0.24</b>	<b>58.3</b>

**Table 3: Ore Reserves**

JORC Ore Reserve	Tonnage (kiloton) ("kt")	Grades			
		Cu %	As %	Pb %	Ag g/t
Proved	4,404	1.49	5.70	1.28	42.6
Probable	3,150	1.42	6.28	1.49	47.9
<b>Total</b>	<b>7,554</b>	<b>1.46</b>	<b>5.94</b>	<b>1.37</b>	<b>44.8</b>

The Damajianshan Mine right is due to expire in September 2012. The directors of Wah Nam International expect that Luchun Xingtai will be able to renew the mining right with the relevant government authority, at the appropriate time.

There has been limited mining activity at the Damajianshan Mine due to the following reasons:

- the power supply has not been stable for a number of years. This issue has now been rectified;
- the road is very narrow and in poor condition. This remains a major issue for the shipping of increasing volumes of concentrates;
- the water supply is not sufficient in the dry season and is not drinkable; and
- the tailing dam is too small to be used for production.

Wah Nam International will continue to develop the Damajianshan Mine through further exploration in order to delineate and upgrade the Mineral Resources and subsequently increase copper metal production of the mine.

### (c) Transport

Wah Nam International owns 100% of the Perryville Group. The Perryville Group operates limousine rental and airport shuttle buses.

During the first half of 2011, the Perryville Group contributed disproportionately, 88.6%, to the overall revenue of the Wah Nam International Group as its iron ore and copper assets are in the development stage.

As Wah Nam International continues to develop its strategic mining assets the percentage of revenue from transport is expected to decline.

### 3.4 Strategy

Wah Nam International is focused on being a developer of strategic mining assets in politically stable, mineral resource-rich countries.

Wah Nam International's two largest investments are in iron ore, via Brockman, and copper, via Luchun Xingtai. Wah Nam International has made these investments as it believes that the outlook for both commodities is robust.

Wah Nam International will maximise its efforts to develop both its iron ore and copper assets for the benefit of Wah Nam International Shareholders.

Wah Nam International's planned move to 100% ownership of Brockman and the transformation of the Marillana Project from an exploration project to the implementation stage (and ultimately to production stage) represents a significant upside to Wah Nam International's overall performance.

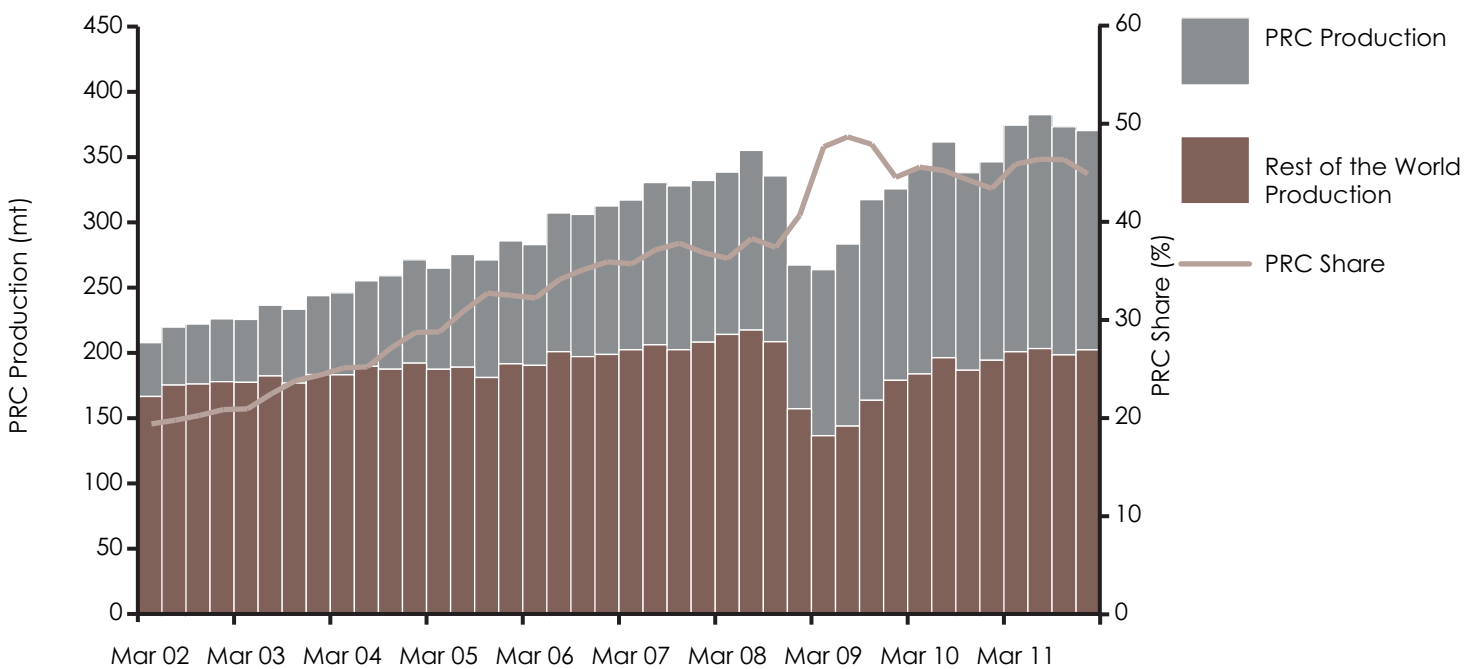
Wah Nam International directors will also pursue additional strategic acquisitions in order to acquire quality mining assets from around the world to create a globally recognised resources company.

#### Iron Ore

Iron ore is a key ingredient in the steel making process. Consistent with PRC steel production, PRC is the largest consumer of iron ore.

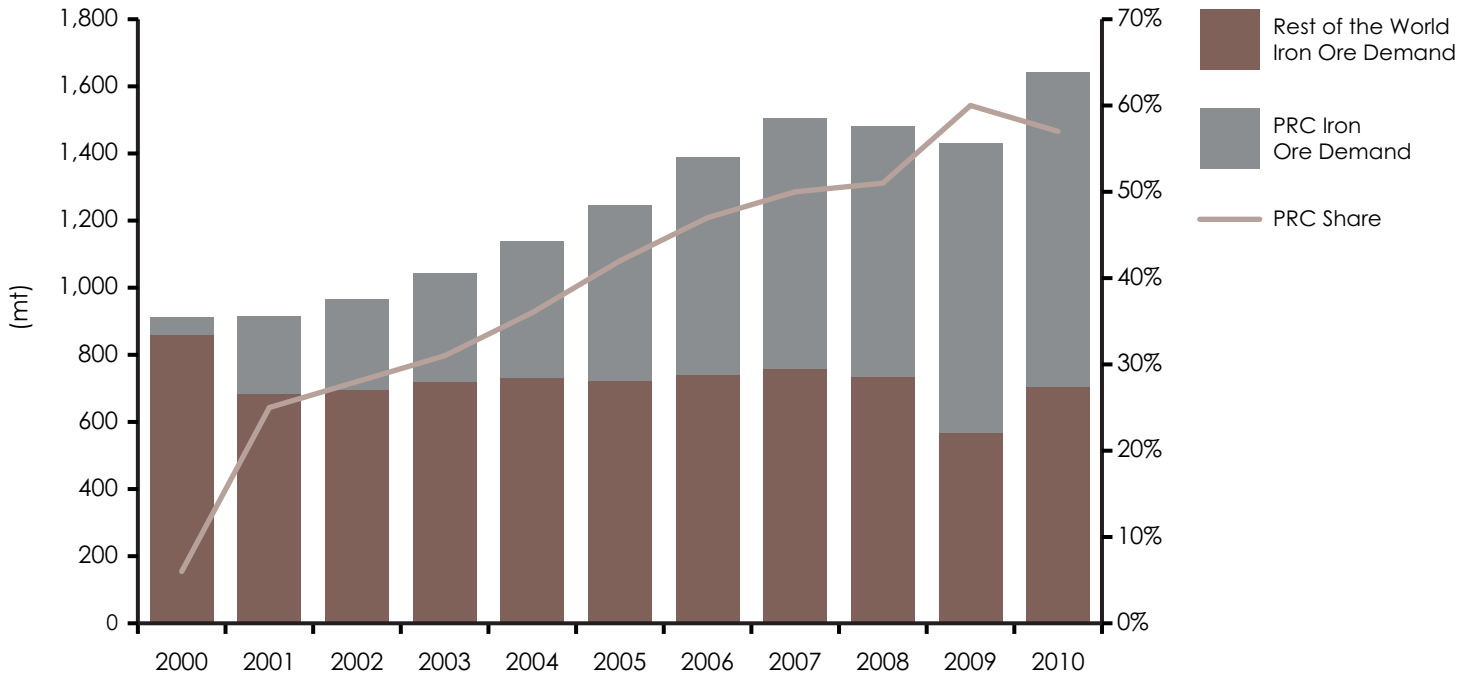
World production of steel has significantly recovered from low production levels in 2009 and is now on par with the pre-global financial crisis peak reached during 2008 (Figure 5).

Figure 5: Global steel production



Iron ore demand has increased at a steady rate since 2002 driven by the PRC's increasing market leading share (Figure 6).

Figure 6: Iron ore demand



Australia is the largest exporter of iron ore, accounting for over one-third of global export supply (Figure 7). After rapid growth in the past decade, the main export market for Australia's iron ore is now the PRC (almost 70% of iron ore exports in 2010), with Japan and South Korea importing most of the balance (Figure 8).

Figure 7: Historical global iron ore exports

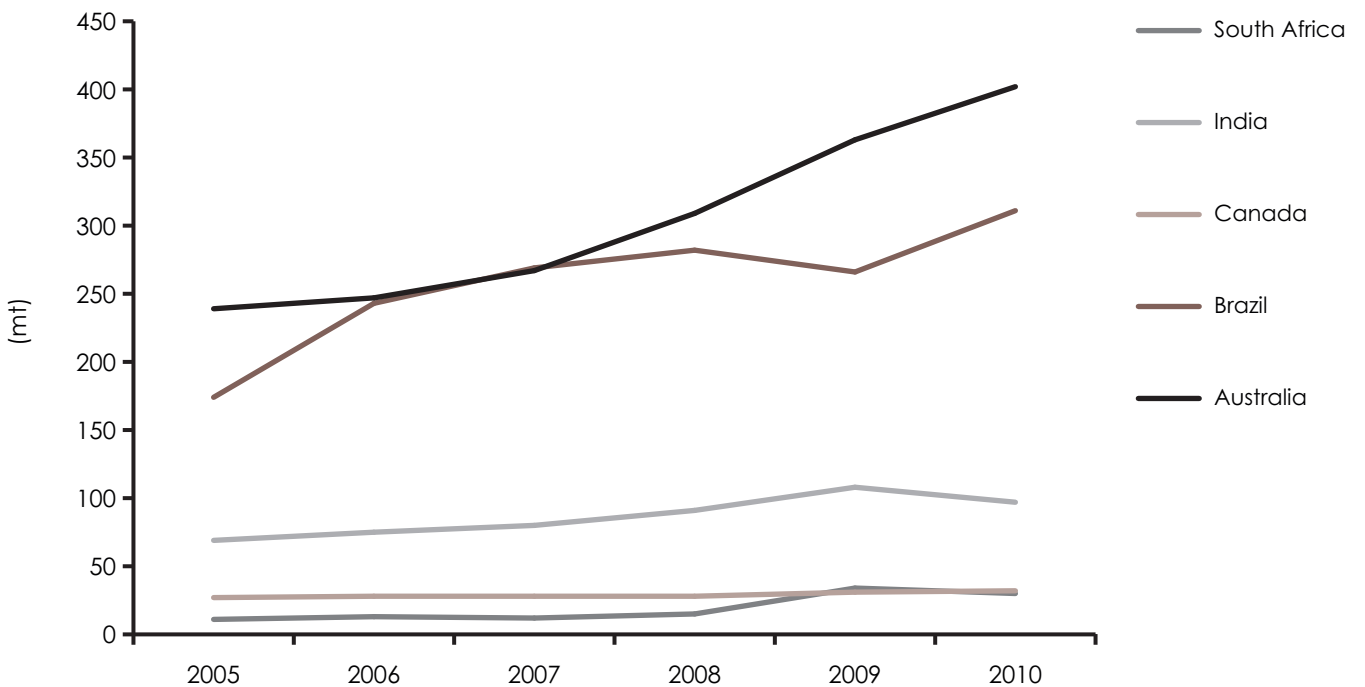
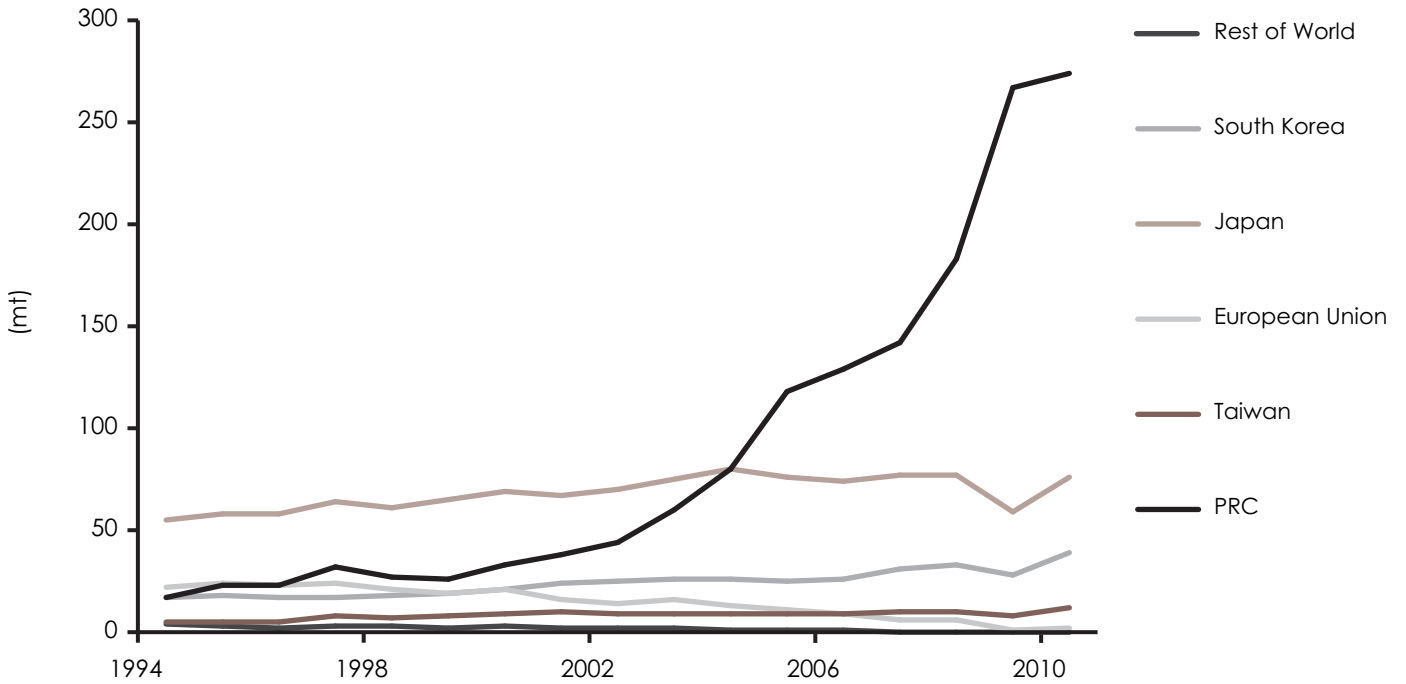


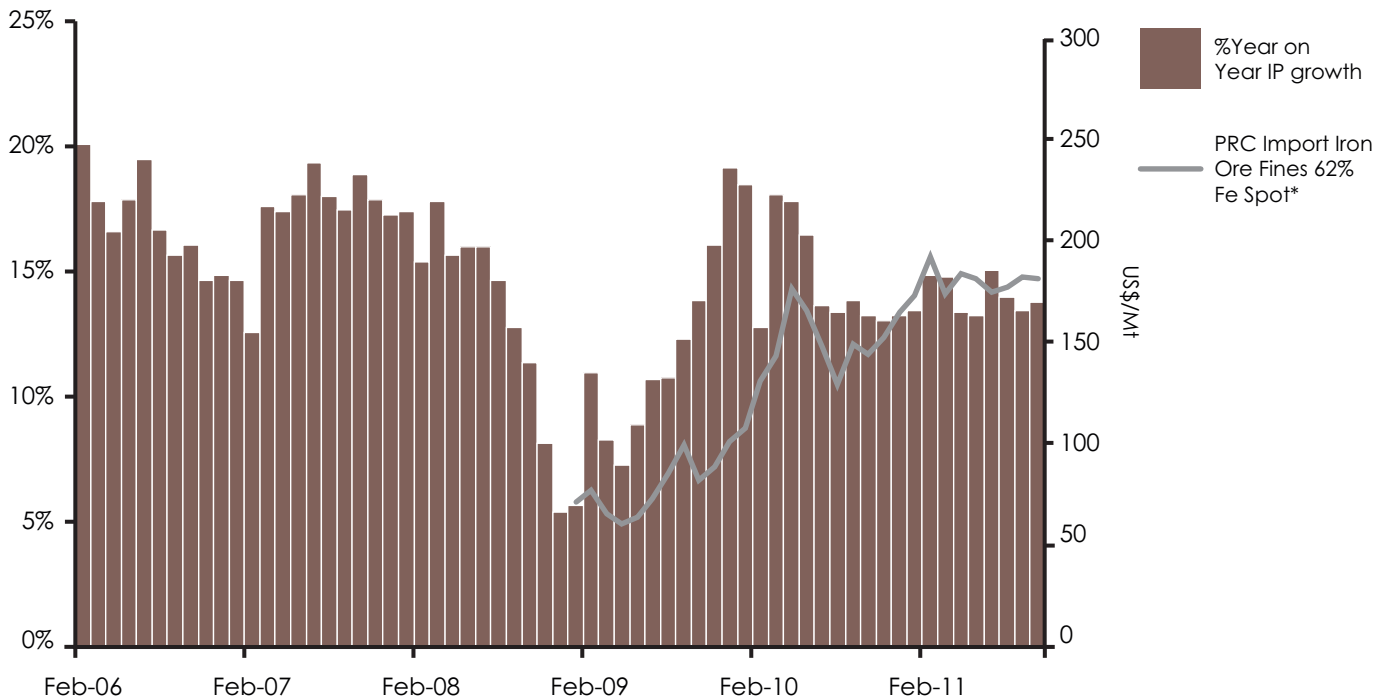


Figure 8: Australian iron ore exports by destination



PRC industrial production continues to expand strongly, with growth of 13.8% year-on-year for September 2011. Iron Ore prices have performed well since February 2009 (Figure 9).

Figure 9: Iron ore prices and PRC industrial production growth

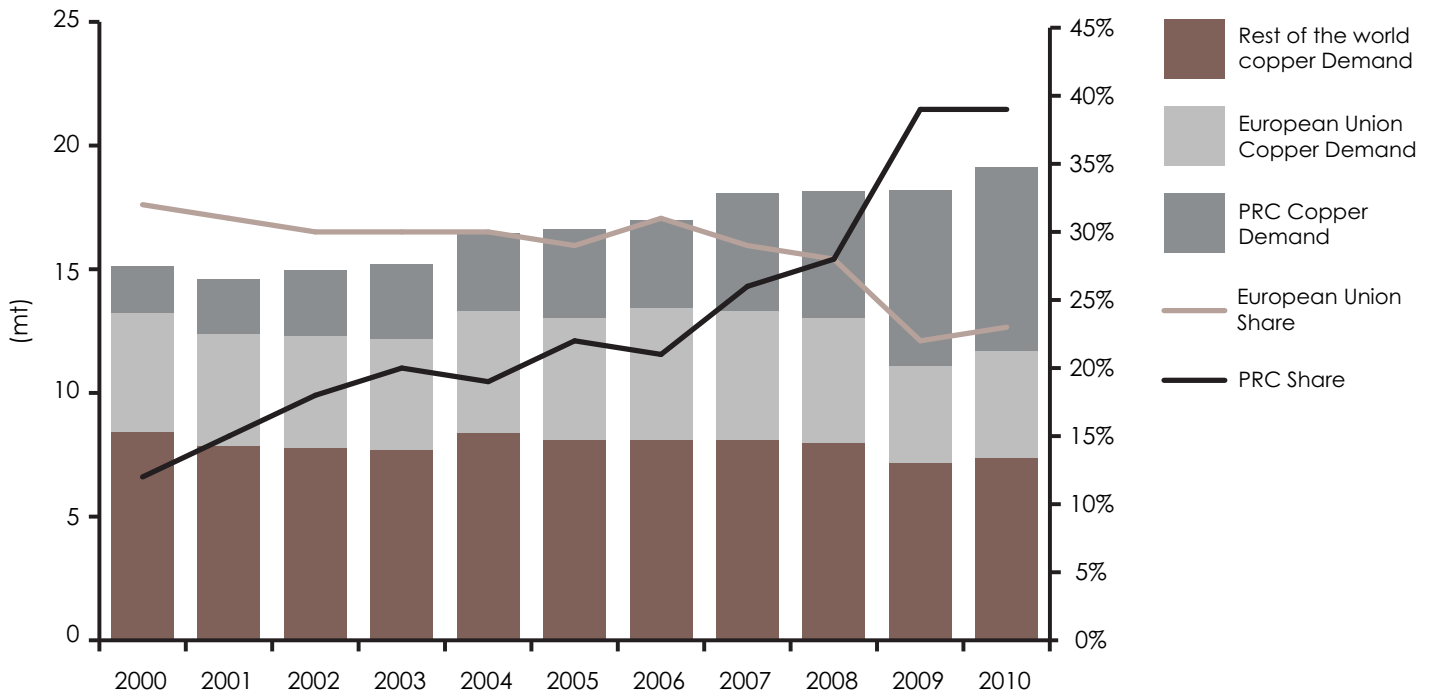


\* PRC Import Iron Ore Fines 62% Fe spot price index is compiled by the Steel Index Ltd and commenced spot pricing on 21 November 2008.

## Copper

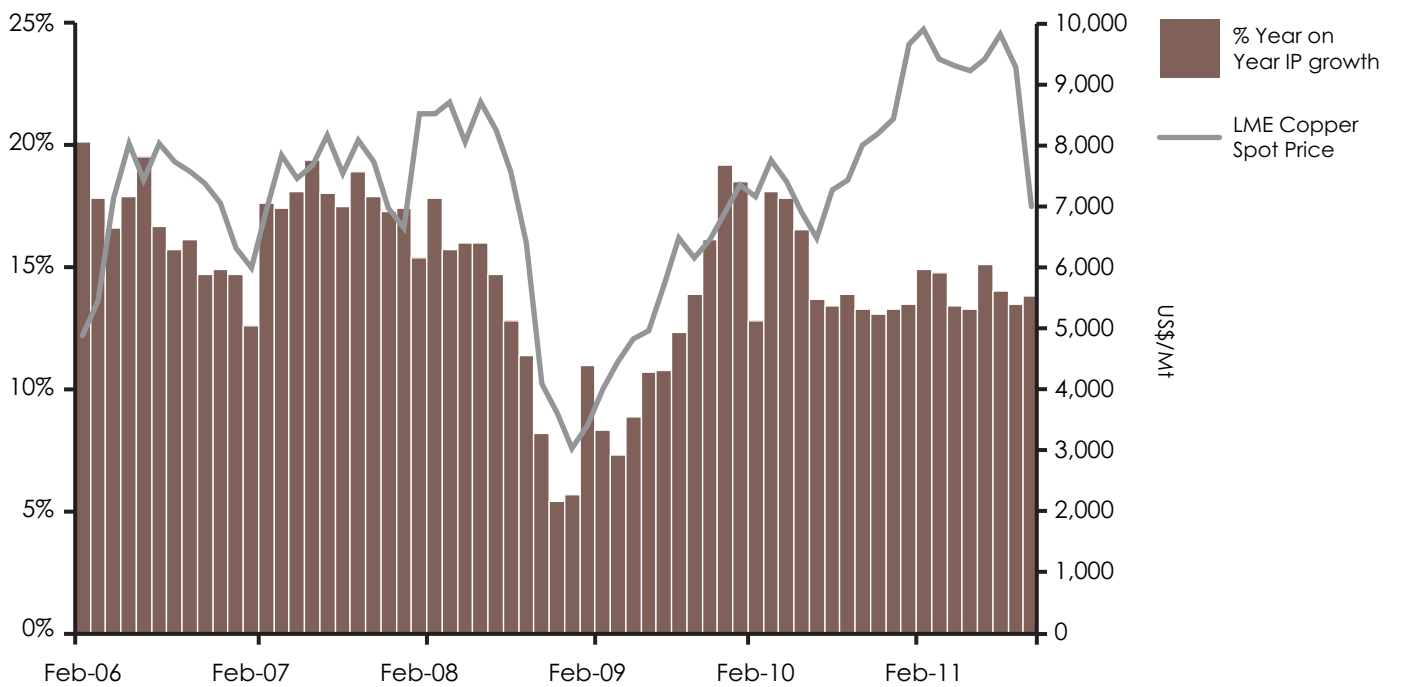
Copper demand is becoming less reliant on mature economy demand and increasingly reliant on demand emanating from emerging markets such as the PRC, which is currently the world's largest consumer of the metal and represents approximately 40% of global demand (Figure 10).

Figure 10: Copper demand



Copper prices and PRC industrial production growth rates have performed strongly since February 2009 (Figure 11).

Figure 11: Copper prices and PRC industrial production



## 3.5 Directors

### (a) Wah Nam International

Details of the directors of Wah Nam International are set out below.

#### Mr Luk Kin Peter Joseph

Mr Luk Kin Peter Joseph, aged 41, has been the Chairman of Wah Nam International since February 2009. Mr Luk holds a Masters in Business Administration and the professional qualification of Chartered Financial Analyst. Mr Luk worked in several international financial institutions and he is well experienced in international financial and investment management. Mr Luk also has extensive experience in the mining industry. He was the CEO and deputy chairman of China Mining Resources Group Limited, a HKEx listed company with mining activities in the PRC, from November 2005 to July 2007.

Mr Luk is responsible for Wah Nam International Group's corporate functions including fund raising and investment and overseeing the implementation of strategy and development.

Mr Luk is the Chairman of Wah Nam International's Remuneration Committee, Risk Management Committee and the Executive Committee, and is a member of the Nomination Committee.

Wah Nam International has been informed by Mr Luk, that he has been requested by the ICAC to assist them in their investigation regarding a matter which took place before the appointment of Mr Luk as a director of Wah Nam International. Based on the information available to the Wah Nam International board, the investigation has been initiated against Mr Luk in his personal capacity and does not relate to the affairs of Wah Nam International or any of its Subsidiaries, and no charge has been laid by the ICAC against Mr Luk.

Wah Nam International is of the view that the investigation will not have a material impact on the business, operations and financial position of the Wah Nam International Group.

Mr Luk is also the Chairman of Brockman.

#### Mr Chan Kam Kwan Jason

Mr Chan Kam Kwan Jason, aged 38, joined the Wah Nam International Group in January 2008. He is an executive director and the company secretary of Wah Nam International. Mr Chan graduated from the University of British Columbia in Canada with a Bachelor of Commerce and is a member of the American Institute of Certified Public Accountants. Mr Chan is also an executive director of China Windpower Group Limited and an independent non-executive director of Guojin Resources Holdings Limited, both of which are listed on the HKEx. Mr Chan has experience in accounting and corporate finance.

Mr Chan is responsible for Wah Nam International Group's administration including compliance with the HKEx and ASX Listing Rules and statutory requirements and for overseeing Wah Nam International Group's corporate finance transactions.

Mr Chan is a member of Wah Nam International's Remuneration Committee, Risk Management Committee, Executive Committee and Nomination Committee.

#### Mr Chu Chung Yue Howard

Mr Chu Chung Yue Howard, aged 62, has extensive experience in the mining industry. He is an executive director of Wah Nam International. Mr Chu has held various positions including the controller for Teck Resources Limited (formerly Teckcominco Limited) (a company listed on the Toronto Stock Exchange and the New York Stock Exchange) from 1993 to 2007 and was the Vice President, Asia and Chief Representative, China from 2007 to 2011. Mr Chu was responsible for the development of the Asian strategy for the company, monitoring the PRC's economic performance and promoting business development opportunities in the PRC. Mr Chu holds a Bachelor of Commerce from the University of British Columbia and is registered as a chartered accountant in Canada.

Mr Chu is currently an independent non-executive director of REORIENT Group Limited, the holding company of REORIENT.

Mr Chu is responsible for Wah Nam International Group's investments. He is also involved in formulating and overseeing the implementation of strategy and development.

Mr Chu is a member of Wah Nam International's Risk Management Committee, Executive Committee and Nomination Committee.

Mr Chu is also a non-executive director of Brockman.

#### Mr Lau Kwok Kuen Eddie

Mr Lau Kwok Kuen Eddie, aged 55, joined the Wah Nam International Group in December 2007. He is an independent non-executive director of Wah Nam International. He graduated from the Hong Kong Polytechnic (now known as the

Hong Kong Polytechnic University) and is a fellow member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants of the United Kingdom. He has been practicing as a Certified Public Accountant in Hong Kong since 1982.

Mr Lau is the Chairman of Wah Nam International's Remuneration Committee, the Audit Committee, Risk Management Committee and Health, Safety, Environment and Sustainability Committee. He is also a member of the Nomination Committee.

Mr Lau is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Mr Lau's judgment.

### **Mr Uwe Henke Von Parpart**

Mr Uwe Henke Von Parpart, aged 70, joined the Wah Nam International Group in January 2008. He is an independent non-executive director of Wah Nam International. He received a Fulbright scholarship and did his graduate work in mathematics and philosophy (Ph.D.) at Princeton University and the University of Pennsylvania.

Mr Von Parpart is the managing director and the Chief Strategist in REORIENT. Prior to obtaining his position in REORIENT, he was the Chief Economist and Strategist for Asia at Cantor Fitzgerald in Hong Kong where he was responsible for macro-economic, fixed-income and equity-markets research and strategy in Asia. He joined Cantor Fitzgerald in May 2006. His analyses are published on a weekly and daily basis and frequently featured on CNBC Asia and Bloomberg TV. Prior to joining Cantor Fitzgerald, Mr Von Parpart worked for 4 years as a senior currency strategist at the Bank of America, Hong Kong, covering both currencies and notes. Mr Von Parpart has also contributed to numerous magazines and newspapers and until recently was a columnist for Forbes Global and Shinchosha Foresight Magazine (Tokyo).

Mr Von Parpart is a member of Wah Nam International's Remuneration Committee, Audit Committee, Risk Management Committee, Nomination Committee and Health, Safety, Environment and Sustainability Committee.

Mr Von Parpart is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Mr Von Parpart's judgment.

### **Mr Yip Kwok Cheung Danny**

Mr Yip Kwok Cheung Danny, aged 47, joined the Wah Nam International Group in August 2009. He is an independent non-executive director of Wah Nam International. He is an Australian citizen and graduated from the Australian National University majoring in economics and accounting. Mr Yip has extensive experience as an internet strategist, entrepreneur and specialist in international trade. He was also the founder of several service-oriented businesses in Hong Kong and Australia, and was the founder of Tradeeasy Holdings Limited in 1996. He had been the executive director and chief executive officer of CCT Resources Holdings Limited (formerly known as Tradeeasy Holdings Limited) (a company listed on the growth enterprise market of the HKEx) until June 2007.

Mr Yip is a member of Wah Nam International's Remuneration Committee, Audit Committee, Risk Management Committee, Nomination Committee and Health, Safety, Environment and Sustainability Committee.

Mr Yip is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of Mr Yip's judgment.

## **(b) Wah Nam Australia**

The directors of Wah Nam Australia are Mr Chan Kam Kwan Jason, Mr Luk Kin Peter Joseph, Mr Au-Yeung Sai Kit Alex and Mr Warren Beckwith.

### **Mr Au-Yeung Sai Kit Alex**

Mr Au-Yeung Sai Kit Alex, aged 32, joined the Wah Nam International Group in December 2008. He is the Financial Controller of Wah Nam International and a director of Wah Nam Australia. Mr Au-Yeung is responsible for Wah Nam International Group's accounting, financial reporting and internal control.

Mr Au-Yeung is a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr Au-Yeung obtained a Bachelor of Business Administration (Honours) – Accounting from the Hong Kong Baptist University. Mr Au-Yeung has over 10 years experience in auditing, accounting and banking.

Mr Au-Yeung is a member of the Executive Committee.

### **Mr Warren Beckwith**

Mr Beckwith is a chartered accountant. For 13 years he was a partner in international firms of chartered accountants including, the senior partner of a predecessor firm of Ernst & Young, Hong Kong. Since then, he has established a corporate advisory firm with current operations in both Australia and Hong Kong as well as a private equity investment business.

Mr Beckwith is currently a director of China Properties Group Limited, Gondwana Resources Limited and Amazon Resources Limited. Mr Beckwith is a Fellow of the: Institute of Chartered Accountants in Australia, Hong Kong Institute of Certified Public Accountants, Australian Institute of Company Directors, Taxation Institute of Australia and Taxation Institute of Hong Kong.

Mr Beckwith currently provides consultancy services to Wah Nam International. He is remunerated for these services.

Mr Beckwith is also a non-executive director of Brockman.

Details about the qualifications and experience of Mr Chan and Mr Luk are set out in paragraph 3.5(a) above.

## 3.6 Key management

### Mr Leung Chi Yan Danny

Mr Leung Chi Yan Danny, aged 63, is the managing director of Parklane Limousine Service Limited and Airport Shuttle Services Limited which are principally engaged in the provision of limousine rental services in Hong Kong and the PRC and airport shuttle transportation services in Hong Kong. Mr Leung graduated from Newport University of Southern California with a Masters of Business Administration. Mr Leung has over 30 years experience in limousine and airport shuttle transportation services and is the Chairman of Hong Kong Limousine Hire Association.

### Mr Hendrianto Tee

Mr Hendrianto Tee, aged 44, joined the Wah Nam International Group in January 2009. He is the Chief Investment Officer of Wah Nam International and, as such, he is responsible for sourcing investment opportunities, fund raising and analysis.

Mr Tee graduated from Walsh University, USA, with a Bachelor of Arts. Mr Tee spent a large part of his career with several international financial institutions with a focus on debt capital markets. Prior to joining Wah Nam International, Mr Tee held a senior executive position at a large Asian agri-business conglomerate.

Mr Tee is a member of the Executive Committee.

### Mr Au-Yeung Sai Kit Alex

Details about Mr Au-Yeung are set out in paragraph 3.5(b) above.

## 3.7 Wah Nam International and Wah Nam Australia directors' and senior managements' interests in securities

As at the date of this Bidder's Statement, the Relevant Interests of Wah Nam International's and Wah Nam Australia's directors in Wah Nam International Shares and their interest in Wah Nam International Scheme Options are set out in the table below.

Name	Wah Nam International Shares	Wah Nam International Scheme Options
Mr Luk Kin Peter Joseph	361,300,276	39,000,000
Mr Chan Kam Kwan Jason	–	1,500,000
Mr Chu Chung Yue Howard	–	–
Mr Lau Kwok Kuen Eddie	–	1,000,000
Mr Uwe Henke Von Parpart	–	1,000,000
Mr Yip Kwok Cheung Danny	–	1,000,000
Mr Au-Yeung Sai Kit Alex	–	1,000,000
Mr Warren Beckwith	–	13,500,000
Mr Leung Chi Yan Danny	137,592,592	–
Mr Hendrianto Tee	–	3,000,000

Wah Nam International intends to seek shareholder approval to issue one or more of the Wah Nam International directors with additional Wah Nam International Scheme Options but as at the date of this Bidder's Statement, Wah Nam International has not formed a view as to how many Scheme Options it will seek shareholder approval to issue. If Wah Nam International makes such a determination prior to the end of the Offer Period, Wah Nam Australia will issue a supplementary bidder's statement.

### 3.8 Remuneration of directors and senior management

Wah Nam International's Bye-laws provide that the directors' remuneration shall be determined by Wah Nam International in general meeting. Wah Nam International has fixed a maximum sum of A\$2 million in aggregate for executive directors and A\$1 million in aggregate for non-executive directors, per annum. Wah Nam International intends to put resolutions to Wah Nam International Shareholders at its next general meeting to:

- remove the maximum limit for executive directors; and
- authorise the Wah Nam International board to fix the directors' remuneration.

#### (a) Remuneration of non-executive directors

In accordance with Wah Nam International's Bye-laws, the non-executive directors are subject to retirement by rotation and re-election at the annual general meeting.

Each non-executive director is currently entitled to an annual emolument of HK\$216,000, subject to review by the remuneration committee and the board of directors of Wah Nam International, from time to time. In consideration for serving on the board during the year ended 31 December 2010, each non-executive director was compensated as indicated below.

Director	Type of Fee	Amount per annum HK(\$)
Mr Lau Kwok Kuen Eddie	Emolument	144,000
Mr Uwe Henke Von Parpart	Emolument	144,000
Mr Yip Kwok Cheung Danny	Emolument	144,000

Each non-executive director was granted 1 million Wah Nam International Scheme Options in 2010. The non-cash share based compensation in respect of the Wah Nam International Scheme Options for each non-executive director was recorded in Wah Nam International's 2010 annual report as HK\$394,000.

#### (b) Remuneration of executive directors

##### Mr Luk Kin Peter Joseph

On 13 February 2009, Wah Nam International entered into a service contract with Mr Luk to govern the appointment of Mr Luk as director of Wah Nam International. Mr Luk is also the Chairman of the board of directors of Wah Nam International.

The appointment of Mr Luk is not for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of Wah Nam International, in accordance with Wah Nam International's Bye-laws. Mr Luk is appointed at a fixed salary of HK\$1,300,000 annually and his remuneration will be determined by the remuneration committee and the board of directors of Wah Nam International, from time to time.

For the year ended 31 December 2010, the total remuneration paid to Mr Luk amounted to approximately HK\$1,300,000.

Mr Luk has been granted 39 million Wah Nam International Scheme Options. The non-cash share based compensation in respect of these Wah Nam International Scheme Options was recorded in Wah Nam International's 2010 annual report as HK\$22,555,000.

##### Mr Chan Kam Kwan Jason

On 1 March 2008, Wah Nam International entered into a service contract with Mr Chan to govern the appointment of Mr Chan as a director of Wah Nam International. The appointment of Mr Chan is not for a specific term and is subject to retirement by rotation and re-election at the annual general meeting of Wah Nam International, in accordance with Wah Nam International's Bye-laws.

Mr Chan is appointed at a fixed salary of HK\$50,000 per month and his remuneration is determined by the remuneration committee and the board of directors of Wah Nam International, from time to time.

For the year ended 31 December 2010, the total remuneration paid to Mr Chan amounted to approximately HK\$650,000.

Mr Chan has been granted 1,500,000 Wah Nam International Scheme Options. The non-cash share based compensation in respect of these Wah Nam International Scheme Options was recorded in Wah Nam International's 2010 annual report as HK\$598,000.

#### **Mr Chu Chung Yue Howard**

On 7 November 2011, Mr Chu entered into a service contract with Wah Nam International to govern the appointment of Mr Chu as a director of Wah Nam International. The appointment of Mr Chu is not for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of Wah Nam International, in accordance with Wah Nam International's Bye-laws.

Mr Chu will be entitled to an annual remuneration of approximately HK\$2,340,000. Mr Chu's remuneration was determined with reference to his duties and responsibilities in Wah Nam International and the market benchmark and was approved by Wah Nam International's Remuneration Committee.

It is expected that the remuneration of the executive directors will be reviewed during the Offer Period.

#### **(c) Remuneration of senior management**

Mr Tee is entitled to a fixed salary of HK\$100,000 per month. For the year ended 31 December 2010, the total remuneration paid to Mr Tee was approximately HK\$1,070,000.

Mr Tee has been granted 3 million Wah Nam International Scheme Options. The non-cash share based compensation in respect of these Wah Nam International Scheme Options is approximately HK\$1,320,000.

For the year ended 31 December 2010, the total remuneration paid to Mr Leung was approximately HK\$3,040,810.

Mr Au-Yeung is entitled to a fixed salary of HK\$56,500 per month. For the year ended 31 December 2010, the total remuneration paid to Mr Au-Yeung was approximately HK\$721,000.

Mr Au-Yeung has been granted 1 million Wah Nam International Scheme Options. The non-cash share based compensation in respect of these Wah Nam International Scheme Options is approximately HK\$440,000.

It is expected that the remuneration of the senior managers will be reviewed during the Offer Period.

### **3.9 Disclosing entity**

Wah Nam International, as a disclosing entity under the Corporations Act, states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to Wah Nam International may be obtained from, or inspected at, an ASIC office; and
- it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
  - the annual financial report of Wah Nam International, most recently lodged with ASIC;
  - any half year financial report lodged with ASIC by Wah Nam International in the period between the lodgment of the financial report referred to above and lodgment of this Bidder's Statement with ASIC; and
  - any continuous disclosure notices given by Wah Nam International in the period between lodgment of the financial report referred to above and lodgment of this Bidder's Statement with ASIC. A list of announcements made by Wah Nam International on the ASX between 31 March 2011 until the date of this Bidder's Statement appears in the Appendix.

Requests for copies of these documents may be made by calling the Shareholder Information Line on 1300 582 820 (toll free for callers in Australia) or +61 3 9415 4811 (for callers outside Australia), Monday to Friday, 6:00am to 2:00pm (WST). Wah Nam International has a website, [www.wnintl.com](http://www.wnintl.com), which includes a wide range of information on Wah Nam International (including copies of the above documents) and its activities.

### **3.10 Continuous disclosure**

The Wah Nam International directors are committed to keeping the market fully informed of material developments, to ensure compliance with the ASX Listing Rules, the HKEx Listing Rules, and the Companies Act. At each board



meeting, specific consideration is given as to whether any matters should be disclosed under Wah Nam International's continuous disclosure policy.

No information has been excluded from the continuous disclosure notices set out in the Appendix that is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- the assets and liabilities, financial position and performance, profits and losses and prospects of Wah Nam International; and
- the rights and liabilities attaching to Wah Nam International Shares.

### 3.11 Hong Kong Exchange Listing Rule requirements

The Offer is conditional on, among other things, shareholder approval at a general meeting of Wah Nam International, voting by poll. Should the terms of the Offer be revised materially, Wah Nam International is required to issue an announcement in Hong Kong and comply with the requirements of the HKEx (including seeking Wah Nam International Independent Shareholders' approval for the revised terms).

HKEx Listing Rule 13.36(1) provides that, as the Consideration Shares will not be issued under a general mandate pre-approved by Wah Nam International Shareholders, the allotment and issue of the Consideration Shares is subject to the approval of shareholders in a general meeting.

HKEx Listing Rule 13.36(1) provides that, as the Subscription Shares and the Convertible Bond to be issued pursuant to the Subscription Agreement, the Placement Shares to be issued pursuant to the Underwriting Agreement and the Wah Nam International Shares to be allotted and issued upon the conversion of the Convertible Bond will not be issued under a general mandate, pre-approved by Wah Nam International Shareholders. The issue of the Subscription Shares and the Convertible Bond to be issued pursuant to the Subscription Agreement, the Placement Shares to be issued pursuant to the Underwriting Agreement and the Wah Nam International Shares, to be allotted and issued upon conversion of the Convertible Bond, is subject to the approval of Wah Nam International Shareholders in a general meeting.

Under Chapters 14 and 14A of the HKEx Listing Rules, acquisitions of equity interests in companies by a listed company are subject to different reporting, announcement and shareholders' approval requirements depending on the size and nature of the transactions and the counter parties of the transactions.

In the present case, the possible acquisition of all of the Brockman Shares under the Offer constitutes a major acquisition for Wah Nam International for the purposes of the HKEx Listing Rules. Pursuant to HKEx Listing Rule 14.40, the Offer, being a major transaction, must be conditional on approval by Wah Nam International Independent Shareholders.

The possible acquisition of all of the Brockman Shares under the Offer also constitutes a connected transaction for Wah Nam International and is subject to approval by Wah Nam International Independent Shareholders' approval under HKEx Listing Rules. More details are set out in Section 3.13 of this Bidder's Statement.

### 3.12 Takeovers Code

Wah Nam International is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (ie substantial holdings and takeovers) but rather the Takeovers Code and the ASX Listing Rules.

The Takeovers Code is regulated by the Securities and Futures Commission in Hong Kong pursuant to its functions under the Securities and Futures Commission Ordinance (SFC Ordinance). The Takeovers Code applies to takeovers and mergers affecting public companies in Hong Kong. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers affecting public companies in Hong Kong.

The aim of the Takeovers Code is to ensure fair treatment to every shareholder affected by merger or takeover transactions, subject to the Takeovers Code. The Takeovers Code is non-statutory and comprises rules administered by the Executive. The Takeovers Code is principle-based. The general principles and the spirit of the Takeovers Code will apply in areas or circumstances not explicitly covered by any rule in the Takeovers Code.

#### (a) The general principles of the Takeovers Code

The general principles of the Takeovers Code include the items set out below.

- All shareholders are to be treated even-handedly and all shareholders of the same class are to be treated similarly.
- If control of a company changes or is acquired or is consolidated, a general offer to all other shareholders is normally required. Where an acquisition is contemplated as a result of which a person may incur such an obligation, they must, before making the acquisition, ensure that they can and will continue to be able to implement such an offer.



- During the course of an offer, or when an offer is in contemplation, neither an offeror, nor the offeree company, nor any of their respective advisers may furnish information to some shareholders which is not made available to all shareholders. This principle does not apply to the furnishing of information in confidence by the offeree company to a bona fide potential offeror or vice versa.
- An offeror should announce an offer only after careful and responsible consideration. The same applies to making acquisitions which may lead to an obligation to make a general offer. In either case the offeror and its financial advisers should be satisfied that it can and will continue to be able to implement the offer in full.
- Shareholders should be given sufficient information, advice and time to reach an informed decision on an offer. No relevant information should be withheld. All documents must, as in the case with a prospectus, be prepared with the highest possible degree of care, responsibility and accuracy.
- All persons concerned with offers should make full and prompt disclosure of all relevant information and take every precaution to avoid the creation or continuance of a false market. Parties involved in offers must take care that statements are not made which may mislead shareholders or the market.
- Rights of control should be exercised in good faith and the oppression of minority or non-controlling shareholders is always unacceptable.
- Directors of an offeror and the offeree company must always, in advising their shareholders, act only in their capacity as directors and not have regard to their personal or family shareholdings or to their personal relationships with the companies. They should only consider the shareholder interests taken as a whole when they are giving advice to shareholders. Directors of the offeree company should give careful consideration before they enter into any commitment with an offeror (or anyone else) which would restrict their freedom to advise their shareholders. Such commitments may give rise to conflicts of interest or result in a breach of the directors' fiduciary duties.
- At no time after a bona fide offer has been communicated to the board of the offeree company, or after the board of the offeree company has reason to believe that a bona fide offer might be imminent, may the board of the offeree company take any action in relation to the affairs of the company without the approval of shareholders in general meeting, which could effectively result in any bona fide offer being frustrated or in the shareholders being denied an opportunity to decide on its merits.
- All parties concerned with transactions subject to the Takeovers Code are required to co-operate to the fullest extent with the Executive, the Hong Kong Takeovers Panel and the Hong Kong Takeovers Appeal Committee, and to provide all relevant information.

In the case of an offer, the Takeovers Code applies not only to the offeror and the offeree company, but also to those persons "acting in concert" with the offeror or the offeree. Under the Takeovers Code, "persons acting in concert" are persons who "pursuant to an agreement or understanding, actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company". The Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class, eg among others:

- directors of a company;
- a holding company, its subsidiaries and associates; and
- financial advisers and financiers of the takeover bids.

### **(b) Mandatory general offer obligations**

The Takeovers Code requires the making of a mandatory general offer to acquire all shares and other securities of the offeree company carrying rights to subscribe for, convert or exchange into shares of the offeree company, unless a waiver has been granted by the Executive, if a person or a group of persons acting in concert:

- acquires any voting rights in a Hong Kong public company which will lead to the voting rights held by the acquirer and its concert parties in the offeree company reaching 30% or more; or
- who's holding is between 30% and 50% of the voting rights of a Hong Kong public company, acquires more than 2% of the voting rights in the offeree company from the lowest percentage voting rights in the offeree company held by them in the 12 month period from the date of the relevant acquisition.

A mandatory offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the purchaser (or persons acting in concert with it) for shares of that class during the offer period and within 6 months prior to its commencement.

### **(c) Voluntary offers**

An offer which is not a mandatory offer is a voluntary offer. It is a method by which a takeover offer can be launched subject to a number of conditions.

The consideration under a voluntary offer does not need to be in the form of cash or of a minimum value unless:

- where the shares of any class under offer have been purchased for cash by the offeror and any person acting in concert with it during the offer period and within 6 months prior to the commencement of the offer; and
- such shares carry 10% or more of the voting rights of that class,

then the offer for shares in the offeree company must be in cash or be accompanied by a cash alternative except with the consent of the Executive.

The consideration must not be less than the highest price (excluding stamp duty and commission) paid by the offeror or any persons acting in concert with it for shares of the same class during the offer period and within 6 months prior to the commencement of the offer.

If the offeror, or person acting in concert with it has purchased shares in the offeree company within the 3 month period prior to commencement of the offer or during the period between the commencement of the offer period and the announcement of a firm intention to make an offer by the offeror, or person acting in concert with it, then the offer must not be on less favourable terms.

The Takeovers Code states that an offer must not normally be made subject to conditions which depend on subjective judgments or which are solely at the discretion of the offeror.

### 3.13 Connected Transactions

Wah Nam International is not subject to Chapter 2E of the Corporations Act dealing with related party transactions but rather the HKEx Listing Rules and the ASX Listing Rules.

Chapter 10 of the ASX Listing Rules deals with transactions with persons in a position of influence. The transactions covered by Chapter 10 of the ASX Listing Rules include acquiring and disposing of substantial assets by Wah Nam International and acquiring securities in Wah Nam International. The Chapter also deals with participation by directors (and persons associated) in employee incentive schemes and in underwriting dividend or distribution plans, payments to directors and termination benefits. The definition of a person of influence includes a Related Party.

Wah Nam International, being listed on the HKEx is also subject to the HKEx Listing Rules regarding "connected transactions". The aim of the HKEx Listing Rules is to provide certain safeguards against connected persons taking advantage of their positions.

Connected transactions of a HKEx listed company are governed by the connected transaction rules set out in Chapter 14A of HKEx Listing Rules. The connected transactions rules are intended to ensure that the interests of shareholders as a whole are taken into account by a listed company when the listed company enters into a connected transaction. Connected transactions mainly comprise transactions involving the listed company or any of its subsidiaries and connected persons of the listed company or its subsidiaries, including the listed company's and its subsidiaries' directors, chief executives and substantial shareholders (and their respective associates).

Connected transactions under the HKEx Listing Rules include, among other things:

- the acquisition or disposal of assets, including deemed disposals;
- any transaction involving a listed company writing, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities;
- entering into or terminating finance leases;
- entering into or terminating operating leases or sub-leases;
- granting an indemnity or a guarantee or providing financial assistance (such as borrowings, lending and advance);
- entering into any arrangement or agreement involving the formation of a joint venture entity in any form;
- issuing of new securities;
- the provision of or receipt of services;
- sharing of services; and
- providing or acquiring raw materials, intermediate products and finished goods,

regardless of whether or not the transaction is of a revenue nature in the ordinary and usual course of business.

The HKEx Listing Rules require a company to enter into a written agreement regarding every connected transaction.

All connected transactions (or a series of connected transactions in aggregate) shall be subject to the requirements of the listed company informing the HKEx, issuing an announcement, obtaining approval of independent shareholders (where any shareholder with a material interest in the transaction will not be permitted to vote at the meeting on the resolution approving the transaction) at general meeting (unless there is a waiver granted by the HKEx) and reporting the transaction in the company's annual reports unless there are specific exemptions under the HKEx Listing Rules.

The HKEx Listing Rules provide that the following transactions are exempt from the reporting, announcement and independent shareholder approval requirements.

- Intra-group transactions between a listed company and a non wholly-owned subsidiary or between its non wholly-owned subsidiaries where no connected persons of the listed company are entitled to exercise, or control, the exercise of 10% or more of the voting power at any general meeting of any of the subsidiaries connected and none of the subsidiaries is itself a connected person.
- A de minimis transaction (as determined by some prescribed tests in the HKEx Listing Rules) on normal commercial terms.
- An issue of new securities where a connected person receives a pro rata entitlement to the securities in its capacity as shareholder, or pursuant to the exercise of an option granted to a connected person pursuant to the listed company's share option scheme in compliance with the HKEx Listing Rules, or where a connected person is acting as underwriter or sub-underwriter of an issue of securities by the listed company in respect of the listed company's rights issue or open offer in compliance with the HKEx Listing Rules, or a top-up subscription in connection with a share placement of the listed company in compliance with the HKEx Listing Rules.
- Dealing of securities on a recognised stock exchange by a listed company.
- Any purchase by a listed company of its own securities from a connected person on the HKEx or a recognised stock exchange or under a general offer made in accordance with the Code on Share Repurchases in Hong Kong.
- A director's service contract.
- An acquisition as consumer or realisation in the ordinary and usual course of business of consumer goods or consumer services by a listed company from or to a connected person of the listed company on normal commercial terms in compliance with the HKEx Listing Rules.
- Sharing of administrative service between a listed company and a connected person on a cost basis in compliance with the HKEx Listing Rules.
- A connected transaction on normal commercial terms with a connected person of a subsidiary of a listed company where such person is a connected person of the listed company solely because of their relationship with such subsidiary and that the size of such subsidiary is relatively small as compared with the whole listed company's group, subject to certain tests stipulated in the HKEx Listing Rules, and that if such subsidiary is itself a party to the transaction, the transaction value is less than the prescribed threshold in the HKEx Listing Rules.
- A transaction with associates of a passive investor of the listed company of a revenue nature in the ordinary and usual course of the listed company's business and on normal commercial terms in compliance with HKEx Listing Rules.
- A financial assistance provided by a listed company for the benefit of a connected person in which the listed company is a shareholder, provided that the assistance being provided is in proportion to the listed company's equity interest in the connected person.
- A financial assistance provided by a connected person for the benefit of a listed company on normal commercial terms (or better to the listed company) where no securities over any assets of the listed company are granted in respect of the financial assistance.

The HKEx Listing Rules further provide that some connected transactions on normal commercial terms, where the transaction size is relatively small and subject to the tests prescribed under the HKEx Listing Rules, may be exempt from the independent shareholder approval requirements but are subject to the requirements of issuing an announcement and reporting the transaction in the listed company's annual report.

If a listed company is required to seek approval from its independent shareholders regarding a connected transaction, it will need to send a circular to all of its shareholders setting out details of the transaction and advice of an independent board committee and independent financial adviser to the independent shareholders, regarding the related connected transaction.

## 4. Information about Wah Nam International Securities

### 4.1 Dual listing

Wah Nam International Shares are listed on the HKEx and the ASX.

Wah Nam International will lodge an application to the HKEx for admission to quotation of the Consideration Shares being a date no later than 7 days after the start of the Bid Period. Quotation will not be automatic and will depend on the HKEx exercising its discretion.

Wah Nam International will also lodge an application to the ASX for admission to quotation of the Consideration Shares being a date no later than 7 days after the start of the Bid Period. Quotation will not be automatic and will depend on the ASX exercising its discretion.

### 4.2 Trading on the ASX and the HKEx

When accepting the Offer, you can choose to have Wah Nam International Shares registered on the Australian Share Register or the Hong Kong Share Register.

Subject to the completion of the Offer and the quotation of the Consideration Shares on the HKEx and the ASX, holders of Wah Nam International Shares may shunt (or move) their Wah Nam International Shares between Wah Nam International's Australian Share Register and Hong Kong Share Register according to the following procedure:

- when a Wah Nam International Shareholder wishes to shunt shares from one of the 2 registers (**Home Register**) to the other register (**Destination Register**), the Wah Nam International Shareholder must provide the Home Register with a written direction to that effect. The Home Register will then remove the Wah Nam International Shares from their holding, and place those shares into the control of the Destination Register. A confirmation will then be sent to the Destination Register, which will place the shares into a holding in exactly the same name of the delivering Wah Nam International Shareholder; and
- periodically (usually at the time of each shunt (or removal)) the 2 registers will compare their respective control accounts to confirm that they are synchronised.

It is customary for the Hong Kong Registrar to charge shareholders (and prospective shareholders coming from the Australian Share Register) administrative fees for processing shunts (or removals).

The following table identifies the costs (correct at the time of going to print) for each of those administrative fees.

To/From	Australian Fee	Hong Kong Admin Fee	Hong Kong Certificate Cancellation/ Creation Fee (per Certificate)
AU/HK	Nil	HK\$350.00	HK\$2.50 (Cancellation)
HK/AU	Nil	HK\$350.00	HK\$2.50 (Creation)

The ASX requires trades to be settled on a 'T+3' basis while the HKEx requires trades to be settled on a 'T+2' basis. The period of time required to shunt Wah Nam International Shares between the Australian Share Register and the Hong Kong Share Register may vary and there is no certainty of when shunted shares will be available for trading or settlement.

Wah Nam International Shares shunted from the Australian Share Register to the Hong Kong Share Register may not be allocated to CCASS as the HKEx requires a physical share certificate to be issued and then delivered to the appropriate CCASS Participant for transfer to CCASS. Wah Nam International Shares shunted from the Hong Kong Share Register can be sponsored by either Wah Nam International or CHESS, as per the request of the Wah Nam International Shareholder initiating the shunt. For further information, contact your nominated market (or CCASS) participant.

## 4.3 Settlement and dealing

### (a) Dealings

The brokerage commission in respect of trades of shares on the ASX is freely negotiable.

The transaction costs of dealings in shares on the HKEx include a stock exchange trading fee of 0.005%, an SFC transaction levy of 0.003%, a trading tariff of HK\$0.50 on each transaction, a transfer deed stamp duty of HK\$5.00 per transfer deed and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration or, if higher, the fair value of the shares transferred. The brokerage commission in respect of trades of shares on the HKEx is freely negotiable.

### (b) Settlement

Settlement of dealings on the ASX will take place on the third Business Day following the date of transaction.

Investors in Hong Kong must settle their trades executed on the HKEx through their brokers directly or through custodians.

For an investor in Hong Kong who has deposited Wah Nam International Shares in their stock account or in their designated CCASS Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the CCASS Rules in effect, from time to time.

For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to their broker by the settlement date. An investor may arrange with their broker on a settlement date in respect of their trades executed on the HKEx.

Under the HKEx Listing Rules and the CCASS Rules, the date of settlement must not be later than the second Business Day following the trade date on which the settlement services of CCASS are open for use by CCASS Participants (T+2).

For trades settled under CCASS, the CCASS Rules provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

The CCASS stock settlement fee payable by each counterparty to a HKEx trade is currently 0.002% of the gross transaction value, subject to a minimum fee of HK\$2 and a maximum fee of HK\$100 per trade.

## 4.4 Issued securities

Wah Nam International currently has 5,359,279,403 Wah Nam International Shares, 15 million Wah Nam International Listed Options and 74.5 million Wah Nam International Scheme Options on issue. If all of the Wah Nam International Listed Options and Wah Nam International Scheme Options are exercised, Wah Nam International's total share capital would be 5,448,779,403 shares. Set out below is a table of all Wah Nam International securities on issue.

Class	Number on issue	Vesting date	Expiry
<b>Ordinary Shares</b>	<b>5,359,279,403</b>		
<b>Listed Options</b>			
<b>A\$0.20</b>	<b>15,000,000</b>		<b>30 September 2014</b>
<b>Scheme Options</b>			
<b>HK\$1.164</b>	<b>4,250,000</b>	<b>18 January 2011</b>	<b>17 January 2014</b>
<b>HK\$1.164</b>	<b>2,125,000</b>	<b>18 January 2012</b>	<b>17 January 2014</b>
<b>HK\$1.164</b>	<b>2,125,000</b>	<b>18 January 2013</b>	<b>17 January 2014</b>
<b>HK\$1.24</b>	<b>27,000,000</b>	<b>11 February 2011</b>	<b>10 February 2014</b>
<b>HK\$2.00</b>	<b>39,000,000</b>	<b>11 November 2010</b>	<b>10 November 2013</b>

As at the date of the Bidder's Statement, Wah Nam International has a market capitalisation of approximately HK\$3.6 billion (A\$316.2 million).

## 4.5 Beneficial substantial shareholders of Wah Nam International

The following information is based on information filed with the HKEx by substantial shareholders who own a disclosable interest (a beneficial interest of 5% or more) in Wah Nam International under Hong Kong law. The information has been updated to take into account recent Wah Nam International Share issues.

Name	Beneficial Owner	Wah Nam International Shares Number	Wah Nam International Shares %
The XSS Group Limited	Luk Kin Peter Joseph, Cheung Sze Wai Catherine and Chong Yee Kwan	361,300,276	6.74%
China Guoyin Investments (HK) Ltd	Zhu Yi Cai	321,661,070	6.00%
Ocean Line, Kwai Sze Hoi, Cheung Wai Fung	Kwai Sze Hoi, Cheung Wai Fung	323,604,440	6.04%
Groom High Investments Limited	Zhang Li	279,548,000	5.22%

## 4.6 Recent performance of Wah Nam International Shares on the HKEx

The closing price of Wah Nam International Shares on the HKEx on 9 December 2011 (being the last full trading day before the Announcement Date) was HK\$0.67 per Wah Nam International Share.

The highest recorded closing price of Wah Nam International Shares on the HKEx in the 90 days before the last trading day before the Announcement Date was HK\$0.90 per Wah Nam International Share on 20 September 2011.

The lowest recorded closing price of Wah Nam International Shares on the HKEx in the 90 days before the last trading day before the Announcement Date was HK\$0.56 per Wah Nam International Share on 5 October 2011.

Please refer to section 7.2(c) for information on the effect that movements in exchange rates will have on the A\$ value of Wah Nam International Shares traded on the HKEx.

## 4.7 Recent performance of Wah Nam International Shares on the ASX

The closing price of Wah Nam International Shares on the ASX on 9 December 2011 (being the last full trading day before the Announcement Date) was A\$0.059 per Wah Nam International Share.

The highest recorded closing price of Wah Nam International Shares on the ASX in the 90 days before the last trading day before the Announcement Date was A\$0.105 per Wah Nam International Share on 9 September 2011.

The lowest recorded closing price of Wah Nam International Shares on the ASX in the 90 days before the last trading day before the Announcement Date was A\$0.059 per Wah Nam International Share on 9 December 2011.

## 4.8 Rights and liabilities of Wah Nam International Shares

The Wah Nam International Shares offered to Brockman Shareholders under the Offer will be issued fully paid and, from the date of their issue, will rank equally with existing Wah Nam International Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to Wah Nam International Shares are set out in the Bye-laws. The following paragraphs contain a summary of the principal rights and liabilities attaching to the Wah Nam International Shares Brockman Shareholders will receive. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of Wah Nam International Shares. Brockman Shareholders who wish to obtain a definitive assessment of the rights and liabilities which attach to the Wah Nam International Shares they will receive should seek their own advice.



## **(a) Voting**

At a general meeting of Wah Nam International, subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of Wah Nam International shares, each Wah Nam International Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, has one vote for each Wah Nam International Share held. Resolutions put to the vote at general meeting shall be decided on a show of hands unless a poll is required under the ASX Listing Rules or the HKEx Listing Rules or demanded by the Chairman or eligible members in accordance with the Bye-laws.

## **(b) Dividends and reserves**

Wah Nam International, in general meeting, may from time to time determine that a dividend is payable and the method of payment (a dividend may be paid to Wah Nam International Shareholders or declared on the share capital of Wah Nam International). Dividends may only be paid out of the profits or reserves of Wah Nam International, subject to the Companies Act, and no dividend shall be declared in excess of the amount recommended by the board. Interest is not payable by Wah Nam International on any dividend.

## **(c) Issue of further securities**

Subject to the ASX Listing Rules, the HKEx Listing Rules and the Companies Act, the directors may at any time allot or otherwise issue or grant options over Wah Nam International Shares on such terms and subject to such conditions as they think fit, but so that no Wah Nam International Shares shall be issued at a discount to its par value. Subject to the ASX Listing Rules, the HKEx Listing Rules and the Companies Act, Wah Nam International directors may also at any time issue warrants conferring the right upon holders to subscribe to any class of shares or securities in the capital of Wah Nam International, on such terms as they think fit.

## **(d) Transfer of shares**

A Wah Nam International Shareholder may freely transfer any or all of their Wah Nam International Shares, subject to the registration of the transfer not resulting in a contravention of, or failure to observe, the provisions of the applicable Bermudan law. Wah Nam International has obtained a broad consent from the BMA which gives permission for the transfer of Wah Nam International Shares between non-residents of Bermuda without specific approval of the BMA so long as the Wah Nam International Shares are listed on an "Appointed Stock Exchange" (which includes the ASX and the HKEx).

Transfers of Wah Nam International Shares may be, by a proper transfer, effected in accordance with the ASX Settlement Operating Rules, by an instrument of transfer in any usual form or in any other form approved by the board, the ASX or the HKEx that is otherwise permitted by law. Wah Nam International must not refuse, hinder or obstruct the registration of a transfer of Wah Nam International Shares, unless otherwise permitted or required under the ASX Listing Rules or the HKEx Listing Rules.

## **(e) Alteration of capital**

Subject to the ASX Listing Rules and the HKEx Listing Rules, except where a special resolution is specifically required, Wah Nam International may from time to time and in accordance with section 45 of the Companies Act, alter the capital of Wah Nam International by ordinary resolution by Wah Nam International Shareholders in general meeting.

Wah Nam International may, by special resolution, reduce its share capital, any capital redemption reserve fund or any share premium account or other distributable reserve in any manner authorised and subject to any conditions prescribed by law.

## **(f) Variation of class rights**

Subject to the ASX Listing Rules and the HKEx Listing Rules, if at any time the share capital of Wah Nam International is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may not be varied without the written consent of the holders of 75% of all Wah Nam International Shares of that class or a special resolution being issued by the holders of all Wah Nam International Shares of that class at a separate general meeting.

The quorum for a separate general meeting to vary class rights is constituted by 2 persons who together hold or represent by proxy not less than one-third in nominal value of the issued shares in that class.

## **(g) General meeting and notices**

Wah Nam International's general meeting and notice requirements are governed by its Bye-laws and the Companies Act.

An annual general meeting shall be held each year and Wah Nam International Shareholders must be given at least 21 days' notice of the annual general meeting in accordance with its Bye-laws and the Companies Act.

In accordance with its Bye-laws and the Companies Act, special general meetings may be convened by Wah Nam International Shareholders holding not less than one-tenth of the paid up capital of Wah Nam International, by written requisition to the directors or the company secretary. The directors may call a special general meeting whenever they think fit. Wah Nam International Shareholders must be given at least 21 days' notice in writing before a general meeting, at which it is proposed to pass a special resolution, may be held. Any other special general meeting shall be called by at least 14 days' notice in writing. Notice must specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business. Notices or any other document to be given to Wah Nam International Shareholders may be delivered either:

- personally or by post; or
- by advertisement in a newspaper or publication on Wah Nam International's website, together with a notice to Wah Nam International Shareholders stating that such information is available.

Each Wah Nam International Shareholder entitled to vote at a general meeting may vote in person or by proxy appointed in accordance with the Bye-laws. A Wah Nam International Shareholder holding 2 or more Wah Nam International Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of Wah Nam International. No business may be transacted at any general meeting unless a quorum is present within 30 minutes after the time appointed for the general meeting. Two Wah Nam International Shareholders, present in person or by proxy, constitute a quorum at a general meeting.

## **(h) Winding up**

Wah Nam International may only be wound up by the Court or voluntarily, by special resolution. If Wah Nam International is wound up, the surplus assets remaining after payment to all creditors are to be divided among Wah Nam International Shareholders in proportion to the capital paid up on the Shares held by them. The liquidator may however, with the sanction of a special resolution, divide among the Wah Nam International Shareholders in specie or kind, all money and property of Wah Nam International which is to be distributed among Wah Nam International Shareholders on a winding up, and may determine how such division shall be carried out as between the Wah Nam International Shareholders or different classes of Wah Nam International Shareholders, but so that no Wah Nam International Shareholder shall be compelled to accept any shares or other assets upon which there is a liability.

Under the Companies Act, the liquidator may also, with the sanction of a special resolution, vest any part of the assets in trustees upon such trusts for the benefit of Wah Nam International Shareholders.

## **4.9 Dividend policy**

Wah Nam International is yet to declare a dividend payment.

In future, the board of directors of Wah Nam International may declare dividends after taking into account, among other factors, Wah Nam International's results, cash flow, financial condition, operating and capital requirements, amount of distributable reserves, the Bye-laws and other rules and regulations.



## 5. Information on Brockman

### 5.1 Disclaimer

The information in this Section 5 concerning Brockman has been prepared based on a review of publicly available information, which has not been independently verified.

Neither Wah Nam Australia, Wah Nam International, nor any of their respective directors, officers or advisers, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Brockman in this Bidder's Statement should not be considered comprehensive.

In addition, the Corporations Act requires the Brockman directors to provide a target's statement to Brockman Shareholders in response to this Bidder's Statement setting out material information concerning Brockman.

### 5.2 History and overview of Brockman

Brockman is listed on the ASX (BRM) and is an Australian iron ore exploration and development company with a market capitalisation of approximately A\$327.3 million, as at 9 December 2011.

Brockman was originally listed on the ASX on 17 August 2004 as Yilgarn Mining Ltd and was renamed Brockman Resources Limited to reflect the company's strategic decision to position itself as an iron ore developer. Brockman's main focus is the development of the Marillana Project.

### 5.3 Overview of Brockman's projects

#### (a) Marillana Project

##### Background

The Marillana Project is Brockman's principal project and is located in the Hamersley Iron Province, 100 kilometres north west of Newman in Western Australia. The Marillana Project covers an area of 96 square kilometres and is held by a wholly-owned Subsidiary of Brockman.

##### Resources and reserves

A summary of the Mineral Resources and the Ore Reserves are contained in Table 4, Table 5, Table 6 and Table 7.

**Table 4: Beneficiation feed Mineral Resources summary (cut-off grade: 38% Fe)**

Mineralisation Type	Resource Classification	Tonnes (Mt)	Grade (% Fe)	
Detrital	Measured	173	41.6	
	Indicated	1,036	42.5	
	Inferred	201	40.7	
Pisolite	Indicated	117	47.4	
	Total	Measured	173	41.6
		Indicated	1,154	43.0
Inferred		201	40.7	
GRAND TOTAL		1,528	42.6	

**Table 5: Marillana CID resources**

Resource Classification	Tonnes (Mt)	Fe (%)	CaFe	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	P (%)	LOI (%)
Indicated	84.2	55.8	61.9	3.6	5.0	0.097	9.8
Inferred	17.7	54.4	60.0	4.3	6.6	0.080	9.3
<b>TOTAL</b>	<b>101.9</b>	<b>55.6</b>	<b>61.5</b>	<b>3.7</b>	<b>5.3</b>	<b>0.094</b>	<b>9.7</b>

**Table 6: Marillana detrital Ore Reserves**

Ore Reserve Classification	Tonnes (Mt)	Fe (%)
Proven	133	41.6
Probable	868	42.5
<b>TOTAL</b>	<b>1,001</b>	<b>42.4</b>

**Table 7: Marillana CID Ore Reserves**

Ore Reserve Classification	Tonnes (Mt)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	P (%)	LOI (%)
Probable	48.5	55.5	3.7	5.3	0.09	9.7
<b>TOTAL</b>	<b>48.5</b>	<b>55.5</b>	<b>3.7</b>	<b>5.3</b>	<b>0.09</b>	<b>9.7</b>

## Project development

The development of the Marillana Project to date is summarised in the table below.

Date	Event
<b>December 2008</b>	Ausenco Ltd is contracted to complete a pre-feasibility study
<b>August 2009</b>	Pre-feasibility study is completed confirming the technical robustness of the Marillana Project on a conventional mining and processing basis
<b>November 2009</b>	Definitive feasibility study commenced
<b>September 2010</b>	Definitive feasibility study completed
<b>December 2010</b>	Front end engineering design services contract for the design and construction of stage one is awarded Bankable feasibility study commenced
<b>September 2011</b>	Strategic review of all operations, including project development is announced Completion date for bankable feasibility study is pushed out from December 2011 to a yet to be determined date
<b>October 2011</b>	Front end engineering design services report is received. The report recommends the commissioning of an optimisation study on the plant design and a change to the construction contracting strategy
<b>November 2011</b>	An optimisation study on the plant design and a change to the construction contracting strategy commenced

## **Mining and metallurgy**

Brockman has sourced sufficient ore from Bauer and other drilling programs which has been used to undertake a range of mining and metallurgy test work.

Details of the mining and metallurgy work undertaken by Brockman are available in its ASX announcements.

Brockman's most recent quarterly update included the following mining and metallurgy items:

- completion of a 150 tonne pilot plant beneficiation sample test;
- production of a full circuit concentrate;
- completion of rheology testwork; and
- dewatering testwork.

## **Port and rail infrastructure**

The development and success of the Marillana Project is heavily dependent on access to rail and port infrastructure to economically transport the ore to future customers.

Brockman has worked closely with fellow NWI shareholders (Atlas and FerrAus) towards establishing viable options for the development of new port facilities in South West Creek. The takeover of FerrAus by Atlas during the third quarter of 2011 provided NWI with the opportunity to more efficiently align its goals to progress the development of the NWI South West Creek port solution.

In December 2010, Brockman announced to the market that it was in advanced negotiations with FMG for rail and port access. Brockman continues to progress negotiations with FMG for a haulage and port services agreement.

## **Development schedule**

Brockman had previously advised that it intended to complete its process plant in the 2014 second quarter. As noted above, Brockman has commenced an optimisation study that is due to be completed in June 2012.

Based on the information available to Wah Nam International at the time of the Offer, Wah Nam International does not believe that the intended production timeline will be met.

## **Strategic review**

A strategic review was commenced following the recent changes to the Brockman board. The review covers the Marillana Project and all facets of the Brockman business and was expected to conclude by December 2011. When concluded a revised timetable will be determined for key project milestones leading to production.

## **(b) Other iron ore projects**

Brockman also owns the Duck Creek, West Hamersley, Mt Stuart and Ophthalmia iron ore projects in the West Pilbara region of Western Australia. Brockman has planned exploration programs for a number of these projects but to date has not delineated any Mineral Resources or Ore Reserves at these projects.

## **(c) Other projects**

### **Irwin-Coglia Nickel-Cobalt Laterite Project**

Brockman has a 40% interest in the Irwin-Coglia nickel-cobalt laterite joint venture located 150 kilometres south east of Laverton in Western Australia. The remaining 60% interest in the joint venture is held by Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd. Since establishing the joint venture, the co-venturers have completed extensive drilling programs and reported an Indicated Mineral Resource at Irwin-Coglia of 16.8 million tonnes grading 1.07% Ni and 0.14% Co.

## **5.4 Directors and senior managers**

As at the date of this Bidder's Statement, the Brockman directors are as follows:

- Mr Luk Kin Peter Joseph (Chairman);
- Mr Ross Stewart Norgard (Non-Executive Director and joint Deputy Chairman);
- Mr Warren Beckwith (Non-Executive Director and joint Deputy Chairman);
- Mr Colin Paterson (Executive Director and Interim Chief Executive Officer);
- Mr Richard Wright (Non-Executive Director);
- Mr Robert Brierley (Non-Executive Director);
- Mr Chu Chung Yue Howard (Non-Executive Director); and
- Mr Michael Spratt (Non-Executive Director).

As at the date of this Bidder's Statement, Brockman's senior executive team is as follows:

- Ms Tara Robson (Company Secretary);
- Mr Derek Humphry (Chief Financial Officer);
- Mr Michael Gloyne (General Manager – Operations); and
- Mr Paul Bartlett (General Manager – Project Development).

## 5.5 Brockman securities on issue

### (a) Issued capital

According to documents provided by Brockman to the ASX, as at the date of this Bidder's Statement, Brockman's issued securities is as set out in the table below.

Class	Number on issue	Expiry
<b>Ordinary Shares</b>	<b>144,803,151</b>	
<b>Options</b>		
<b>A\$1.25</b>	<b>250,000</b>	<b>20 April 2013</b>
<b>A\$1.30</b>	<b>600,000</b>	<b>11 November 2013</b>
<b>A\$3.00</b>	<b>1,500,000</b>	<b>31 August 2014</b>
<b>A\$3.21</b>	<b>1,500,000</b>	<b>16 March 2012</b>
<b>A\$3.21</b>	<b>600,000</b>	<b>15 June 2014</b>
<b>A\$5.85</b>	<b>450,000</b>	<b>16 January 2015</b>

### (b) Substantial shareholders

Based on notices lodged with the ASX up to and including 9 December 2011, the substantial shareholders in Brockman are as set out in the table below.

Shareholder	Brockman Shares	Percent (%)
<b>Wah Nam International Australia Pty Ltd</b>	<b>80,113,433</b>	<b>55.33%</b>
<b>Mr Ross Stewart Norgard</b>	<b>13,503,000</b>	<b>9.33%</b>

## 5.6 Dealings in Brockman Shares

### (a) Wah Nam Australia's 55.33% Relevant Interest in Brockman Shares

As at the date immediately before the first Offer was sent, Wah Nam Australia had a Relevant Interest in 80,113,433 Brockman Shares, giving it 55.33% of the total Voting Power in Brockman.

### (b) Prices paid for Brockman Shares by Wah Nam Australia

Neither Wah Nam Australia nor any Associate of Wah Nam Australia provided, or agreed to provide, consideration for a Brockman Share under a purchase or agreement during the 4 months before the date of the Offer.

### (c) No escalation agreements

Neither Wah Nam Australia nor any Associate of Wah Nam Australia has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

### (d) No collateral benefits

During the 4 months before the date of the Offer, neither Wah Nam Australia nor any Associate of Wah Nam Australia gave, or agreed to give, a benefit to another person which was likely to induce the other person, or an Associate of the other person to:

- accept the Offer; or
- dispose of Brockman Shares,

and which is not offered to all Brockman Shareholders under the Offer.

## 5.7 Documents lodged with the ASX

This section of the Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. In particular the information has been sourced from the documents listed below.

Date	Announcement
16 August 2004	Appendix 3B – Listing of security issues
8 March 2008	Brockman on Target with Development of New Iron Ore Port
3 December 2008	Marillana Project Development Update
10 August 2009	Brockman Moves to Definitive Feasibility Study Following Completion of Positive Pre-Feasibility Study at Marillana
26 November 2009	Brockman Awards Key Definitive Feasibility Study Contract
29 September 2010	Brockman Delivers Positive Marillana Feasibility Study
3 December 2010	Marillana Development On Track Following Award of Key Engineering Services Contract
16 December 2010	Brockman in Negotiations with FMG for Rail, Port Access
31 January 2011	Quarterly Activities Report for the Period Ended 31 December 2010
15 June 2011	Appendix 3B – New Issue Announcement
20 July 2011	Marillana Project Outlook – Open Briefing with MD Wayne Richards
22 July 2011	Quarterly Activities Report for the Period Ended 30 June 2011
19 September 2011	Appendix 3X – Initial Director's Interest Notice – Robert Brierley, Luk Kin Peter Joseph and Richard Wright
21 September 2011	Appendix 3Z – Final Director's Interest Notice – Barry Cusack, Wayne Richards, John Nixon and Ross Ashton
10 October 2011	Full Annual Report
31 October 2011	Quarterly Activities Report for the Period Ended 30 September 2011
11 November 2011	Progress report on Marillana Project
29 November 2011	Annual General Meeting Presentation
30 November 2011	Results of Annual General Meeting
2 December 2011	Appointment of Director – Michael Spratt

Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to and have not consented to, inclusion of those statements in this Bidder's Statement. Brockman Shareholders are entitled to obtain from Wah Nam Australia free of charge any documents which contain such a statement. If you would like to receive a copy of any of these documents, or the relevant part of the documents containing the statements (free of charge), during the Offer Period, please contact the Shareholder Information Line on 1300 582 820 (toll free for callers in Australia) or +61 3 9415 4811 (for callers outside Australia), Monday to Friday, 6:00am to 2:00pm (WST).

Further information about Brockman is available in electronic form on its website.

## 6. The Combined Group

### 6.1 Approach

This Section 6 provides an overview of the profile of the Combined Group following the Offer and the effect of the Offer on Wah Nam International.

### 6.2 Profile of Combined Group

Brockman Shareholders who accept the Offer will receive Wah Nam International Shares as part of the Offer Consideration. Therefore, on completion of the Offer, if Wah Nam Australia is successful, Brockman Shareholders who have validly accepted the Offer will be Wah Nam International Shareholders in the Combined Group.

The proposed combination of Wah Nam International and Brockman will consolidate 100% ownership of Brockman into one listed entity. It will also combine highly complementary asset portfolios, market positions, management teams and technical skill sets.

As a 100% owner of Brockman, Wah Nam International will make the investments required to fully develop the Marillana Project from within the Combined Group.

### 6.3 Effect of the acquisition on Wah Nam International

#### (a) General effect of the acquisition

Wah Nam International is a diversified company with investments in copper, zinc, lead, and mineral exploration and transport. Wah Nam International is focussed on being a developer of strategic mining assets in politically stable, mineral resource-rich countries.

If successful, the Offer will consolidate 100% of Brockman within the Wah Nam International Group and may:

- aid Wah Nam International in making future financing and development decisions that will need to be made to bring the Marillana Project to production;
- simplify the shareholding structure of Brockman and consolidate ownership into one entity; and
- increase the attractiveness of Wah Nam International to investors through an anticipated increase in broker research coverage and investment in Wah Nam International by large offshore investment funds.

#### (b) Effect of the acquisition on Wah Nam International's capital structure

If the Offer is validly accepted by all Brockman Shareholders:

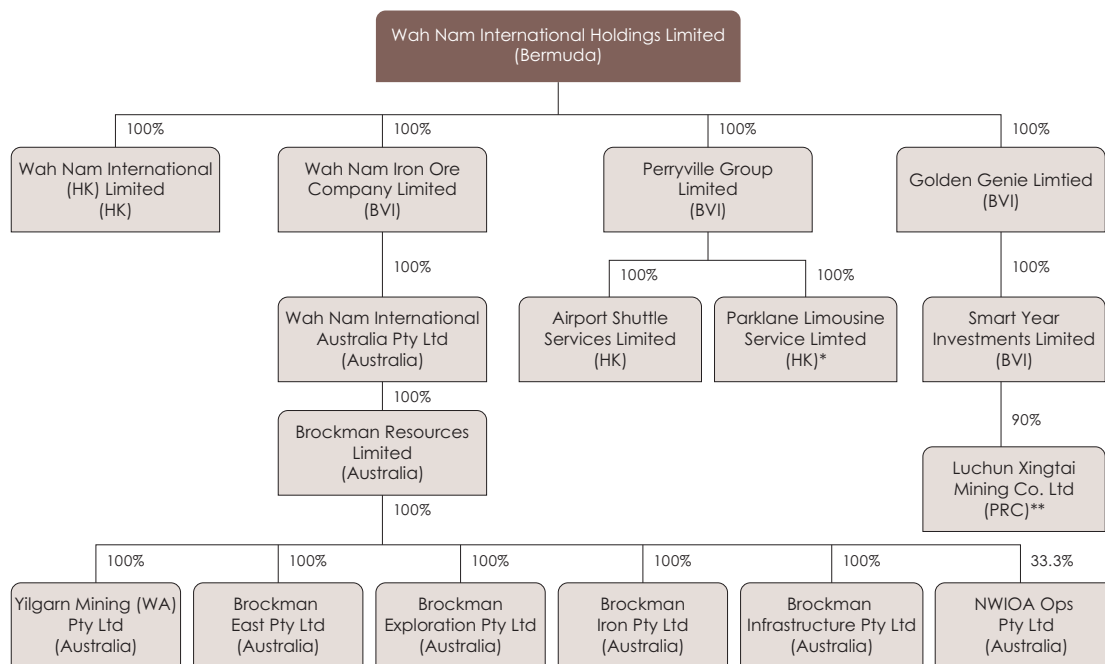
- based on the number of Wah Nam International Shares on issue as at the date of the Offer;
- the Subscription Shares to be issued under the Subscription;
- the Placement Shares to be issued under the Placement;
- the Wah Nam International Shares to be issued upon the conversion of the Convertible Bond; and
- the Brockman Shares on issue as at the date of the Offer,

Wah Nam International will have 7,498,694,327 Wah Nam International Shares on issue, of which 1,164,414,924 (representing approximately 15.5% of the total Wah Nam International Shares on issue following 100% acceptance of the Offer) will represent Wah Nam International Shares issued to accepting Brockman Shareholders.

Further, if all holders of the A\$1.25 Brockman Options, A\$1.30 Brockman Options and A\$3.00 Brockman Options were to exercise their options and subsequently accept the Offer for their Brockman Shares, Wah Nam International will have 7,540,994,327 fully paid ordinary shares on issue of which 1,206,714,924 (representing approximately 16.0% of the total fully paid ordinary shares on issue following 100% acceptance of the Offer) will represent shares issued to accepting Brockman Shareholders.

## 6.4 Corporate Structure of the Combined Group where Wah Nam Australia acquires the balance of Brockman

A summary of Wah Nam International's corporate structure following the acquisition of 100% of Brockman is below.



\* Parklane Limousine Service Limited (HK) has a number of wholly owned subsidiaries not shown in this diagram.  
 \*\* English name is for identification purpose only.

## 6.5 Pro-forma financial information for the Combined Group

This Section 6 contains pro-forma financial information for the Combined Group, reflecting the aggregated businesses of Wah Nam International and Brockman where Wah Nam Australia has acquired 100% of Brockman. This information is presented on a pro-forma basis only and as a result, it is likely that this information will differ from the actual financial information for the Combined Group.

## 6.6 Basis of preparation of pro-forma financial information

The pro-forma financial information and notes have been prepared by Wah Nam International and based on the unaudited financial statements of Wah Nam International and the audited financial statements of Brockman as at 30 June 2011, after adjustment for the actual and assumed transactions set out in Section 6.8.

The unaudited and audited historical financial information has been prepared by Wah Nam International and Brockman in accordance with the International Financial Reporting Standards.

The pro-forma financial information is presented in abbreviated form and does not contain all the disclosures that are usually provided in an annual report in accordance with the Corporations Act and does not take into account any transactions by the respective companies subsequent to 30 June 2011, other than as described in Section 6.8. The pro-forma balance sheet has not been audited and may be subject to changes arising from an audit process if an audit was undertaken.

The pro-forma financial information presented in this Bidder's Statement is for illustrative purposes only. It does not in any way suggest the likely financial results or conditions of the Combined Group in the future should the Offer complete.

The Investigating Accountant's Report in respect of the pro-forma balance sheets is set out in Section 11.

## 6.7 Pro-forma balance sheet – assuming Brockman is a wholly-owned Subsidiary of Wah Nam International following completion of the Offer

	Notes	Wah Nam International Reviewed 30-Jun-11 HK\$'000	Subsequent events HK\$'000	Pro-forma adjustments HK\$'000	Pro-forma after Acquisition HK\$'000
<b>Non-current assets</b>					
Mining right		865,795	–	–	865,795
Property, plant and equipment		98,568	–	–	98,568
Goodwill		11,405	–	–	11,405
Intangible assets		6,050,443	–	–	6,050,443
Available-for-sale investments	1	307,987	(307,987)	–	–
Other non-current assets		12,130	–	–	12,130
<b>Total non-current assets</b>		<b>7,346,328</b>	<b>(307,987)</b>	<b>–</b>	<b>7,038,341</b>
<b>Current assets</b>					
Inventories		15,333	–	–	15,333
Trade receivables		25,285	–	–	25,285
Other receivables, deposits and prepayments		22,714	–	–	22,714
Amount due from a related party		1,156	–	–	1,156
Restricted cash		5,200	–	–	5,200
Cash and cash equivalents	2	565,110	260,868	(188,696)	637,282
<b>Total current assets</b>		<b>634,798</b>	<b>260,868</b>	<b>(188,696)</b>	<b>706,970</b>
<b>Current liabilities</b>					
Trade payables		8,421	–	–	8,421
Other payables and accrued charges	3	84,663	–	136,000	220,663
Amounts due to related companies		10,005	–	–	10,005
Bank borrowings due within one year		42,411	–	–	42,411
Obligations under finance leases		3,453	–	–	3,453
<b>Total current liabilities</b>		<b>148,953</b>	<b>–</b>	<b>136,000</b>	<b>284,953</b>
<b>Net current assets</b>		<b>485,845</b>	<b>260,868</b>	<b>(324,696)</b>	<b>422,017</b>
<b>Total assets less current liabilities</b>		<b>7,832,173</b>	<b>(47,119)</b>	<b>(324,696)</b>	<b>7,460,358</b>
<b>Equity</b>					
Share capital	4	535,542	–	209,171	744,713
Reserves	5	3,268,639	(43,094)	1,510,874	4,736,419
Equity attributable to equity holders of the Company		3,804,181	(43,094)	1,720,045	5,481,132
Non-controlling interests	6	2,164,003	–	(2,080,251)	83,752
<b>Total equity</b>		<b>5,968,184</b>	<b>(43,094)</b>	<b>(360,206)</b>	<b>5,564,884</b>
<b>Non-current liabilities</b>					
Obligations under finance leases		8,636	–	–	8,636
Convertible Bond	7	–	–	35,510	35,510
Amounts due to a related party		33,096	–	–	33,096
Deferred income tax liabilities	8	1,821,171	(4,025)	–	1,817,146
Provisions		1,086	–	–	1,086
<b>Total non-current liabilities</b>		<b>1,863,989</b>	<b>(4,025)</b>	<b>35,510</b>	<b>1,895,474</b>
<b>Total equity and non-current liabilities</b>		<b>7,832,173</b>	<b>(47,119)</b>	<b>(324,696)</b>	<b>7,460,358</b>



<b>NOTE 1. AVAILABLE-FOR-SALE INVESTMENTS</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Available-for-sale investments	307,987	–
<i>Adjustments to arrive at the pro-forma balance:</i>		
Reviewed balance of Wah Nam International as at 30 June 2011		307,987
<i>Pro-forma adjustments:</i>		
Fair value movement in AFS Investment in FerrAus up to 20 September 2011, being the date of acceptance of Atlas' takeover offer		(16,006)
Derecognise AFS Investment in FerrAus		(291,980)
Recognise AFS Investment in Atlas		296,901
Fair value movement in AFS Investment in Atlas prior to the disposal of AFS Investment in Atlas		(36,034)
Disposal of AFS Investment in Atlas		(260,868)
		(307,987)
<b>Pro-forma balance</b>		<b>–</b>

<b>NOTE 2. CASH AND CASH EQUIVALENTS</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Cash and cash equivalents	565,110	637,282
<i>Adjustments to arrive at the pro-forma balance:</i>		
Reviewed balance of Wah Nam International as at 30 June 2011		565,110
<i>Pro-forma adjustments:</i>		
Cash received through the issue of new shares pursuant to the Subscription Agreement		333,060
Cash received through the issue of new shares pursuant to the Underwriting Agreement		78,000
Cash received through the issue of Convertible Bonds		173,940
Cash consideration for the Acquisition		(773,696)
Disposal of AFS Investment in Atlas		260,868
		72,172
<b>Pro-forma balance</b>		<b>637,282</b>

<b>NOTE 3. OTHER PAYABLES AND ACCRUED CHARGES</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Other payables and accrued charges	84,663	220,663
<i>Adjustments to arrive at the pro-forma balance:</i>		
Reviewed balance of Wah Nam International as at 30 June 2011		84,663
<i>Pro-forma adjustments:</i>		
Transaction costs in relation to the Acquisition		21,098
Landholder duty		114,902
		136,000
<b>Pro-forma balance</b>		<b>220,663</b>

<b>NOTE 4. SHARE CAPITAL</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Share Capital	535,542	744,713
<i>Adjustments to arrive at the pro-forma balance:</i>	<b>Number of shares '000</b>	<b>HK\$'000</b>
Reviewed balance of Wah Nam International as at 30 June 2011	5,355,416	535,542
<i>Pro-forma adjustments:</i>		
Issue of new shares pursuant to the Subscription Agreement	555,100	55,510
Issue of new shares pursuant to the Underwriting Agreement	130,000	13,000
Issue of new shares in consideration for the Acquisition	1,179,714	117,971
Issue of the Convertible Bond recognised as share issue according to the terms of the Subscription Agreement	226,900	22,690
	2,091,714	209,171
<b>Pro-forma balance</b>	<b>7,447,130</b>	<b>744,713</b>

<b>NOTE 5. RESERVES</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Reserves	3,268,639	4,736,419
<i>Adjustments to arrive at the pro-forma balance:</i>		
Pro-forma balance of Wah Nam International as at 30 June 2011		3,268,639
<i>Subsequent events:</i>		
Fair value movement in AFS Investment Reserve in FerrAus up to 20 September 2011, being the date of acceptance of Atlas' takeover offer		(16,006)
Gain on derecognition of AFS Investment in FerrAus and Recognition of AFS Investment in Atlas upon acceptance of Atlas' takeover offer		4,921
Reversal of deferred tax liabilities previously recognised for AFS Investment in FerrAus		3,808
Translation Reserve on above		217
Loss on disposal of AFS Investment in Atlas		(36,034)
		(43,094)
<i>Pro-forma adjustments:</i>		
Share premium arising from issue of new shares pursuant to the Subscription Agreement		277,550
Share premium arising from issue of new shares pursuant to the Underwriting Agreement		65,000
Share premium arising from issue of the Convertible Bond recognised as share issue according to the terms of the Subscription Agreement		113,450
Equity component of the Convertible Bond		2,290
Share premium arising from issue of new shares as consideration for the Acquisition		672,438
To recognise other reserve, being the difference between the total consideration for the Acquisition (net of transaction costs and landholder duty) and the increase in share of net assets of Brockman		380,146
		1,510,874
<b>Pro-forma balance</b>		<b>4,736,419</b>

<b>NOTE 6. NON-CONTROLLING INTERESTS</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Non-controlling interests	2,164,003	83,752
<i>Adjustments to arrive at the pro-forma balance:</i>		
Reviewed balance of Wah Nam International as at 30 June 2011		2,164,003
<i>Pro-forma adjustments:</i>		
Acquisition of the non-controlling interests' proportionate share (44.67%) of the carrying amount of the net assets of Brockman as at 30 June 2011		(2,080,251)
<b>Pro-forma balance</b>		<b>83,752</b>

<b>NOTE 7. CONVERTIBLE BOND</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Convertible Bond	–	35,510
<i>Adjustments to arrive at the pro-forma balance:</i>		
Reviewed balance of Wah Nam International as at 30 June 2011		–
<i>Pro-forma adjustments:</i>		
Liability Component of Convertible Bond		35,510
<b>Pro-forma balance</b>		<b>35,510</b>

<b>NOTE 8. DEFERRED INCOME TAX LIABILITIES</b>	<b>Reviewed 30-Jun-11 HK\$'000</b>	<b>Pro-forma after Acquisition HK\$'000</b>
Deferred income tax liabilities	1,821,171	1,817,146
<i>Adjustments to arrive at the pro-forma balance:</i>		
Reviewed balance of Wah Nam International as at 30 June 2011		1,821,171
<i>Pro-forma adjustments:</i>		
Reversal of deferred tax liabilities previously recognised for AFS Investment in FerrAus		(4,025)
<b>Pro-forma balance</b>		<b>1,817,146</b>

## 6.8 Pro-forma assumptions and adjustments

The pro-forma balance sheet post the issue of the securities contemplated by the Offer, the Subscription and the Placement is set out in Section 6.7. It has been prepared based on Brockman's audited financial statements and Wah Nam International's reviewed financial statements as at 30 June 2011 and the transaction events relating to the issue of Wah Nam International Shares pursuant to the Offer, the Subscription and the Placement and the issue of the Convertible Bond pursuant to the Subscription.

The following assumptions have been made in preparing the pro-forma balance sheets:

- an exchange rate of HK\$7.87 to A\$1.00 and an exchange rate of HK\$7.80 to US\$1.00. The exchange rate applicable for the translation of Brockman's audited financial statements as at 30 June 2011 was HK\$8.3599 to A\$1.00;
- the value of a Wah Nam International Share being HK\$0.67;
- the issue of A\$1.50 cash and 18 Wah Nam International Shares for each Brockman Share held (and based on 65,539,718 Brockman Shares) pursuant to the Offer;
- costs associated with the bid and issue of Wah Nam International Shares assuming Brockman becomes a wholly-owned subsidiary of Wah Nam International, of HK\$21,098,000;

- the issue of 555.1 million Wah Nam International Shares on the HKEx pursuant to the Subscription to raise HK\$333.06 million;
- the issue of the Convertible Bond with a value of HK\$174 million pursuant to the Subscription;
- the issue of 130 million Wah Nam International Shares on the HKEx pursuant to the Placement to raise HK\$78 million;
- the balance sheet of Brockman is based on the latest audited financial statements as at 30 June 2011. Consideration was given to any significant subsequent events obtained from publicly available information but no adjustments were made based on the information that was announced; and
- the estimated amount of Western Australian stamp duty of approximately HK\$114,902,000.

Western Australian stamp duty is assessed when the Company effectively acquires 90% or more of the shares in Brockman. However, the estimated amount of the stamp duty for the purpose of this pro-forma financial information is based on a number of assumptions and understanding which is subject to change in the future. In the absence of a full assessment of the assets of Brockman as well as valuation materials, the Wah Nam International directors consider that it is difficult to accurately determine the stamp duty that would be payable, and it does not represent any agreement of the Wah Nam International directors that such amount is the actual tax payable in the future.

The pro-forma balance sheet of Brockman has not been updated from the 2011 September quarterly reports as these contain cash flow information only and have not been subject to audit or review.

Adjustment has also been made for the following subsequent events.

- The disposal of 40,934,400 shares in FerrAus held by Wah Nam Australia in exchange for 10,233,599 shares in Atlas pursuant to the acceptance of the takeover offer by Atlas. Based on the closing price of the shares of Atlas of A\$3.62 per share as well as the closing price of the shares of FerrAus of A\$0.89 on 20 September 2011 (ie the date of acceptance of the takeover offer by Atlas), a gain on disposal of HK\$4,921,000 is therefore recognised. Subsequently, the Atlas shares received under the acceptance of the offer were disposed of and a loss on disposal of HK\$37,182,000 was realised.
- The adjustment of deferred tax liability of HK\$4,025,000 represents the release of deferred tax liability recognised for the accumulated fair value gain on the available-for-sale investment in FerrAus (ie previous effective interest of 19.9% in FerrAus), at a tax rate of 30%.

Other than the above adjustments, no other adjustment has been made to reflect any trading result, or other transaction of the Wah Nam International Group (including the Brockman group) entered into subsequent to 30 June 2011.

## 6.9 Prospects of the Combined Group

Wah Nam International believes the Combined Group will be a large financially secure and growth focused company with an expanded multi-mine asset base. If the Offer is successful, the value of Wah Nam International Shares is likely to be positively re-rated by the equity capital markets as a consequence of:

- 100% ownership of its largest asset;
- recognition of the Combined Group's balance sheet, significant multi-mine asset base, cash and access to an expanded range of financing and growth options;
- enhanced global capital market and institutional investor awareness through an anticipated increase in broker research coverage and investment in Wah Nam International by large offshore investment funds; and
- increased market capitalisation, liquidity and market presence.

The combination of Wah Nam International's expertise in international capital markets and its debt and equity raising capabilities with that of Brockman's mining exploration, production and development expertise will enhance the likelihood of the Marillana Project commencing production as scheduled, if not sooner.

### Limitation on prospects

If Wah Nam Australia does not acquire 100% Brockman, the Related Party provisions of the Corporations Act (and the ASX Listing Rules) will apply.

## 7. Risks

### 7.1 Introduction

The key risks that may have a material adverse impact upon the implementation of the Offer, the future performance of Wah Nam International, the Combined Group and the value of Wah Nam International Shares are described in this Bidder's Statement and include those risks set out in this Section 7. The risks identified in this Section 7 are not exhaustive.

Wah Nam Australia does not give any assurances or guarantees of future performance or profitability, or payment of dividends by, Wah Nam International. Additionally, Wah Nam Australia does not give any assurances or guarantees that the risks set out in this Bidder's Statement will not change. There may be other material risks which are not disclosed in this Bidder's Statement because they were not known by Wah Nam Australia, or were not considered to be material at the date of this Bidder's Statement. Many of the risks below arising from the Offer are also inherent within Brockman and Wah Nam International as separate entities.

The value of the Consideration Shares will depend upon the future performance of Wah Nam International and the value of Wah Nam International Shares. As a result, Brockman Shareholders should carefully consider both the risks affecting the Offer and those risks affecting the future performance of Wah Nam International and the value of Wah Nam International Shares.

Brockman Shareholders should be aware that an investment in Wah Nam International has risks which are associated with investing in listed securities. The future dividends, the value of Wah Nam International's assets and the market value or price of the Wah Nam International Shares quoted on the ASX and the HKEx may be influenced by these and other risk factors.

Many of these factors are common to those affecting the current performance of Wah Nam International and Brockman. Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect Wah Nam International are outside the control of Wah Nam International.

This Section 7 does not take into account the investment objectives, financial circumstances or particular needs of individual Brockman Shareholders. It is important that Brockman Shareholders carefully read this Bidder's Statement in its entirety (particularly the risks set out in this Section 7), consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to accept the Offer.

Set out below are some of the key risks that have been identified as potentially affecting the performance of Wah Nam International, the ability of Wah Nam International to pay dividends and the value of Wah Nam International Shares.

The past performance of Wah Nam International and Brockman is not necessarily representative of the future performance of Wah Nam International or the value of Wah Nam International Shares.

### 7.2 Risks relating to the Offer, Wah Nam International and the Combined Group

#### (a) Brockman information

In preparing this Bidder's Statement, Wah Nam Australia has relied on publicly available information released by Brockman. Any inaccuracy in this information could adversely affect the anticipated results of Wah Nam International. In addition, it is possible that additional risks may exist in relation to Brockman's business which are not known to Wah Nam Australia.

## **(b) Minority shareholding in Brockman**

If you do not accept the Offer and the Offer becomes unconditional without Wah Nam Australia acquiring at least 90% of Brockman Shares, and therefore it is not entitled to compulsorily acquire the remaining Brockman Shares and other securities, you will be part of a diminished minority shareholding in Brockman. In such case, the liquidity of the Brockman Shares may be materially reduced.

## **(c) Market fluctuation and exchange rate risks**

Brockman Shareholders are being offered consideration under the Offer that consists in part of a specified number of Wah Nam International Shares, rather than a number of Wah Nam International Shares with a specified market price and at a specified exchange rate.

The market price of the consideration will fluctuate depending upon the market price of Wah Nam International Shares. There is an ongoing risk, as exists for all shares, that the price of Wah Nam International Shares (and therefore the value of the Offer Consideration received by accepting Brockman Shareholders) may fall in the future.

## **(d) Financing**

Wah Nam International will need to raise additional debt or equity funds for the development of the Marillana Project or for other capital expenditure, further exploration or feasibility studies or otherwise in the Combined Group's operations.

Wah Nam International has not previously raised the amount that will be required for the development of the Marillana Project.

There is no assurance that Wah Nam International will be able to raise the amount when required, or that the terms associated with that funding will be acceptable to Wah Nam International. If such funding is not obtained, Wah Nam International will be unable to proceed with the Marillana Project, which would adversely affect its business, financial condition and operating results.

Further, any equity funding will have a dilutionary effect on Wah Nam International Shareholders' holdings.

## **(e) Uncertainty regarding the level of integration that may be achievable**

Wah Nam International intends, to the extent possible, to seek to integrate Brockman's operations within Wah Nam International so as to maximise operational synergies as well as eliminating a range of duplicated effort and costs. The extent to which these synergistic benefits and cost savings are realisable depends upon a range of factors including the level of acceptances received under the Offer.

There is a risk that the synergies expected to arise from the combination of Wah Nam International and Brockman fail to materialise or take longer than expected to materialise. Wah Nam International may incur greater than anticipated implementation costs during the integration of the businesses of Wah Nam International and Brockman. This may affect the future earnings performance of the Combined Group.

## **(f) The introduction of the Minerals Resource Rent Tax**

The Australian Commonwealth Government announced on 2 July 2010 that it intends to introduce a MRRT which would be applicable from 1 July 2012 at an effective rate of 22.5% on profits made from the exploitation of a limited number of Australia's non-renewable resources, including iron ore and coal. A Bill to implement the MRRT was introduced into the Parliament on 2 November 2011. The Bill recently passed through the House of Representatives, but is yet to be introduced into the Senate. Wah Nam International has not determined the full extent to which the MRRT may impact on it post the acquisition of Brockman.

## **(g) Cash position**

Whilst the Combined Group is expected to have greater revenue than Brockman as a standalone entity, it will also have higher overall expenditure levels due to its increased scale, operations and development and exploration projects. There is no guarantee that the Combined Group will be able to maintain a sufficient cash balance following the acquisition of Brockman by Wah Nam Australia.

## **(h) Accounting**

Australian dollars is the functional currency of Brockman, whilst the reporting currency of the Wah Nam International Group is HK\$. Any material fluctuations of the exchange rate of A\$ against HK\$ may affect the consolidated results and financial position of the Combined Group following the acquisition of Brockman by Wah Nam Australia.

### **(i) Liquidity of Wah Nam International Shares on the ASX**

Wah Nam International Shares are thinly traded on the ASX.

If the Offer is successful, Wah Nam International will be required to issue up to 1,206,714,924 Wah Nam International Shares which will result in Wah Nam International having 6,565,994,327 Wah Nam International Shares on issue and in the event the Convertible Bond is exercised, Wah Nam International will be required to issue up to an additional 289,900,000 Wah Nam International Shares which will result in Wah Nam International having 6,855,894,327 Wah Nam International Shares on issue. A possible consequence will be that Wah Nam International's liquidity on the ASX will increase.

However, some Brockman Shareholders who accept the Offer may:

- choose to accept Wah Nam International Shares registered on the Hong Kong Share Register; or
- not wish to continue to hold Wah Nam International Shares which they receive and may sell them on the ASX or the HKEx.

If a significant number of existing Brockman Shareholders wish to hold their Wah Nam International Shares on the HKEx register or sell the Wah Nam International Shares they acquire under the Offer or if there is a significant number of Ineligible Overseas Shareholders and Unmarketable Parcel Holders (resulting in a significant number of Wah Nam International Shares being sold by the Nominee), the liquidity of Wah Nam International Shares on the ASX may be adversely affected.

### **(j) Uncertainty regarding the level of re-rating of Wah Nam International Shares**

If Wah Nam Australia acquires the balance of Brockman Shares, the value of Wah Nam International Shares is likely to be positively re-rated by the equity capital markets due to an enhanced market capitalisation, increased global market awareness and an expanded institutional investor base through the anticipated increase in broker research and investment in the Combined Group by large international funds.

There is a risk that the positive re-rating expected to arise from the combination of Wah Nam International and Brockman fails to materialise due to a number of reasons including:

- negative equity market sentiment in Hong Kong and Australia;
- negative outlook on the iron ore sector globally and in particular, Australia; and
- inability of Wah Nam International to progress the Marillana Project and the required infrastructure facilities.

### **(k) Future acquisitions**

Following the Offer, Wah Nam International's directors intend to seek additional strategic acquisitions in order to realise their plan of being a developer of strategic mining assets in politically stable, mineral resource-rich countries. Any successful acquisition that is significant in size, may change the scale of Wah Nam International's business, and may expose Wah Nam International to new geographic, political, operating, financial and geological risks. Further, acquisitions may also dilute ownership of accepting Brockman Shareholders.

## **7.3 Mining industry risks**

### **(a) Metal prices**

The continuing success of the Damajianshan Mine and, accordingly, Wah Nam International's profitability will depend primarily on the future sales volumes and prices that Wah Nam International obtains for sales of copper. Similarly, the future profitability of the Combined Group will also be dependent on the price of iron ore.

Prices for copper and iron ore are subject to fluctuation and are affected by a number of factors which are beyond the control of Wah Nam International. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global and regional supply and demand, increased supply from new projects, expansion of existing operations, or substitution with alternative products in downstream markets, technological advancements, competitors that supply copper and iron ore reducing their prices, and the political and economic conditions of major copper and iron ore-producing and consuming countries throughout the world.

### **(b) Actual Ore Reserves and Mineral Resources may be lower than current estimates**

Wah Nam International and Brockman report Mineral Resources and Ore Reserves in accordance with the JORC Code. Mineral Resource and Ore Reserve estimates are subject to independent third party review on at least a one year cycle. The methodology for estimating Ore Reserves may be updated over time and is reliant on certain assumptions being made. Declared Mineral Resources and Ore Reserves are best estimates that may change as new information becomes available. Consequently, Wah Nam International's and Brockman's Mineral Resources and



Ore Reserves may be revised up or down. Actual Ore Reserves may not conform to geological, metallurgical or other expectations and the volume and grade of ore recovered may be below the estimated levels. Ore Reserve data is not indicative of the future results of operations. If Wah Nam International's actual Mineral Resources and Ore Reserves are less than current estimates, Wah Nam International's business, results of operations and financial condition may be materially and adversely affected.

### **(c) The Marillana Project may not be completed as planned**

The business of the Combined Group will depend partly on the Marillana Project. The viability of a mineral deposit depends on a number of factors, including: the particular attributes of the deposit (such as size, grade and proximity to infrastructure), commodity prices (which are highly cyclical) and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of mineral resources and environmental protection.

The Marillana Project may not be developed as planned. If the Combined Group is unable to develop the Marillana Project into a commercially working mine, the business, financial condition and results of operations may be materially and adversely affected.

The Marillana Project is subject to technical risk in that it may not perform as projected. Increased development costs, lower output or higher operating costs may all combine to make the Marillana Project less profitable than expected at the time of the development decision, which would have a negative impact on the Combined Group's business and results of operations. No assurance can be given that the Combined Group will be adequately compensated by third party project design and construction companies (if not performed by the Combined Group directly) in the event that the Marillana Project did not meet their expected design specification.

As with all exploration projects, there is a risk that the Marillana Project cannot be converted to a commercially viable mine, in part because actual costs from capital projects may exceed the original budgets. As a result of delays, cost overruns, changes in market circumstances or other reasons, the Combined Group may not be able to achieve the intended economic benefits or demonstrate the commercial feasibility of the Marillana Project, which in turn may materially and adversely affect the Combined Group's business, results of operations and growth prospects.

### **(d) Environment and other regulatory requirements**

The activities of operators in the copper and iron ore industries are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, which would result in environmental pollution. Exploration and mining activities generally require permits from various governmental authorities and such operations are and will be governed by laws and regulations regarding prospecting, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

There can be no assurance that compliance with these laws and regulations or changes thereto, or the cost of rehabilitation of site operations, or the failure to obtain necessary permits, approvals or prospecting or mining rights or successful challenges to the grant of such permits, approvals and rights, will not adversely affect the results of operations or the financial condition of Wah Nam International.

### **(e) Health and safety**

The businesses of Wah Nam International and Brockman are subject to strict health and safety laws and regulations. The Combined Group may become liable for past and current conduct of Wah Nam International and Brockman, which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against Wah Nam International. These events might not be insured by Wah Nam International or may be uninsurable.

In addition, any changes in health and safety laws and regulations may increase compliance costs for Wah Nam International. Such an event would negatively impact the financial results of Wah Nam International.

### **(f) Mining operations have a finite life**

The key risks for mine closure include the long-term management of permanent engineered structures and acid rock drainage, the achievement of environmental closure standards, the orderly retrenchment of employees and contractors and the relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these tasks is dependent on the ability to successfully implement negotiated agreements with the relevant government, community and employees. The consequences of a difficult closure, range from increased closure costs and handover delays to ongoing environmental impacts and damage to corporate reputation, which could materially and adversely affect Wah Nam International's business and results of operations.

### **(g) Personnel**

Brockman is currently undertaking a search for a permanent CEO. There is a risk that Wah Nam International may not be able to successfully conclude this search.

There is also a risk that Wah Nam International may not be able to retain key technical and managerial personnel from Brockman following the Offer. An inability to recruit a permanent CEO and retain these key technical and managerial personnel may have an adverse impact on both the integration of the acquisition and the longer term performance of the Combined Group and especially Wah Nam International's ability to rapidly develop the Marillana Project as is currently intended.

### **(h) Litigation**

Wah Nam International may be subject to litigation and other claims based on the conduct of Wah Nam International and Brockman that occurred prior to the Offer.

Wah Nam Australia is not aware of any current material litigation.

### **(i) Insurance**

Wah Nam International will have various insurances covering its businesses. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because Wah Nam International has decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods, earthquakes and various other events may not be adequately covered by insurance. Such events, to the extent not covered by insurance, could significantly increase the costs of Wah Nam International's operations.

### **(j) Competition**

Wah Nam International and the Combined Group may be subject to competition from other miners. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as new technology and new production processes. Wah Nam International may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers and reduction in revenue.

### **(k) Counterparty risk**

There is a risk that contracts and other arrangements to which Wah Nam International or Brockman are party and obtain a benefit (such as concentrate sales, currency and metal price hedging agreements) will not be performed by the relevant counter parties if those counter parties become insolvent or are otherwise unable to perform their obligations.

### **(l) Regulatory approval**

Wah Nam International's exploration and mining activities are dependent upon the timely granting of appropriate licenses, permits and regulatory consents which may be granted for a defined period of time, or may not be granted or may be withdrawn subject to a regulatory process, or may be subject to statutory restrictions. Wah Nam International will require numerous further licenses, permits and regulatory consent for the conduct of any new mining operations. There can be no assurance that such authorisations will be granted or renewed (as the case may be) or as to the terms of such grants or renewals.

The Department of Land and Resources of Yunnan Province issued the mining right certificate for the Damajianshan Mine to Luchun Xingtai in January 2005 which was renewed in 2007 for a period of 5 years. It will expire in September 2012. The directors of Wah Nam International expect that Luchun Xingtai will be able to renew the mining right with the relevant government authority at the appropriate time, however, renewal cannot be not guaranteed. Regulatory bodies in the PRC do not set down guidelines or offer guidance on the criteria for renewal and, therefore, there can be no certainty that the right will be renewed.

### **(m) Risk regarding native title in Australia**

Australia recognises a form of native title which reflects the rights, interests and entitlements of indigenous inhabitants to their traditional lands in circumstances where such title has not been extinguished. In respect of a land where native title has been registered, the applicant for an exploration or mining tenement over such piece of land has to negotiate with the party holding the native title with a view to reaching an agreement in respect of the granting of the tenement. If no agreement is reached within 6 months, any of the parties may apply to the National Native Title Tribunal for a determination as to whether the grant should be made, with or without conditions.

There is no assurance that Wah Nam International will be able to reach agreement with parties holding native titles (if any further agreements are required) in respect of the Marillana Project and the terms of these agreements may

not be favourable to the Combined Group. In those circumstances, the prospects of the Combined Group may be adversely affected.

#### **(n) Operational risk**

Wah Nam International will face many operational risks, which include risks related to the geological structure of the mines and geological disasters that may occur during the mining process.

Additionally, Wah Nam International may have to face catastrophic events such as fires, earthquakes, floods or other natural disasters.

Any unpredictable severe weather conditions may require Wah Nam International to evacuate personnel or curtail activities due to natural disasters and may result in damage to its resources locations, which could result in temporary suspension of its operations. During periods of curtailed activity due to natural disasters or adverse weather conditions, Wah Nam International may continue to incur operating expenses. Any damage to its resource locations could materially and adversely affect its business and operating results.

#### **(o) Risks specific to the PRC**

In addition to exposure to the risks that are common to mining operators, Wah Nam International is also subject to the political and economic uncertainties associated with operating in the PRC. Whilst the mining regulatory environment is developing, it lacks clarity in a number of areas and is subject to interpretation, review and amendment.

### **7.4 Risks specific to the Damajianshan Mine**

#### **(a) Current mining permit may provide lower Mineral Resources than current estimates**

Under the PRC laws, a mining permit has both horizontal limits and elevation limits. Luchun Xingtai holds a permit for a mining right of 3.6656 square kilometres with the elevation range for the mining permit from 680 metres to the current topographic surface.

A significant part of the currently defined Mineral Resources in the Damajianshan Mine is below the lower limit of the current mining permit. Luchun Xingtai has submitted applications to the relevant authorities in the PRC to adjust the lower limit of the mining permit to an elevation of 0 metres. This application has been approved at the local government and state levels, but not at the provincial level. The provincial approval is expected in December 2011.

Luchun Xingtai has obtained initial approval from the departments of land and resources at both Luchun County level and Honghe Prefecture level for the change of exploitation elevation from 680 metres to 350 metres. The change of exploitation elevation is subject to the final approval from Yunnan Provincial Department of Land and Resources.

#### **(b) Environmental risks in relation to tailings storage facility**

Luchun Xingtai's operations involve the management of lead and arsenic which are environmentally hazardous. Lead is difficult to separate from copper concentrate and is therefore inherent in Luchun Xingtai's copper concentrate. Arsenic waste or tailings need to be carefully managed.

Luchun Xingtai has obtained all the necessary permits required, including but not limited to the Temporary Permit for Discharge of Pollutants, the Permit for Occupation of Water and Soil Resources, the Processing Permit for Mineral Products and the Operating Permit for Mineral Products for its mine, processing plant and temporary tailing storage facility adjacent to the processing plant.

The current tailings dam is located to the north of the mine and is very close to the Zama River. It is too small for the current processing plant and is not able to be enlarged to meet the demand of the further expanded mine operation. The proposed tailings dam is far bigger than the existing tailing dam and is also suitable for further development, however detailed geotechnical and engineering studies must be completed at the proposed new site as part of the design work. This is especially important as the dam is in an earthquake zone.

### **(c) Focus on further exploration while maintaining low production level**

Wah Nam International has adopted a strategy to conduct further exploration at the Damajianshan Mine. There is a risk, as is the case with all exploration, that the exploration may not be productive. As a result of the focus on exploration, Luchun Xingtai's production has been low compared to its capacity.

As a result of this emphasis on exploration, Luchun Xingtai may not be able to take advantage of the current favourable copper concentrate prices in the PRC. Alternatively, a promising result from the exploration may increase the value of Luchun Xingtai.

## **7.5 Risks specific to the limousine rental and airport shuttle bus services**

The business of limousine rental and airport shuttle bus services is directly correlated with the tourism and travel industries in Hong Kong and the PRC which in turn is directly influenced by economic conditions in Hong Kong and the PRC region in particular, and globally in general.

Any deterioration in economic conditions in the region will impact the revenue generation and profitability of the business. As an example, during the 2008 global financial crisis, the business experienced a decline in the number of passengers due to the slowdown in the tourism and travel industries in Hong Kong and the PRC.

## **7.6 General risk factors**

In addition to the specific business risks above, there are a number of general risks associated with holding Wah Nam International Shares including, but not limited to, the following risks which may impact on the world economy, the operations or financial performance of Wah Nam International, the market for its products or the price of Wah Nam International Shares:

- changes to government, legislation, regulations and policy; including taxation laws and policies, accounting laws, policies, standards and practices and fiscal, monetary and regulatory policies;
- the condition of the Australian and overseas economies; including the aggregate investment being undertaken and economic output occurring in those economies, inflation and interest rates and the prices of products which are inputs used in the operations of Wah Nam International;
- investor sentiment, local and international stock market conditions, adverse industry publicity and recommendations by brokers and analysts; and
- global geo-political events, hostilities and acts of terrorism.

## 8. Wah Nam Australia's and Wah Nam International's Intentions

### 8.1 Approach

This Section 8 sets out the intentions of Wah Nam Australia and Wah Nam International in relation to the following:

- the continuation of the business of Brockman;
- any major changes to be made to the business of Brockman, including any redeployment of fixed assets of Brockman; and
- the future employment of the present employees of Brockman,

on the basis of the facts and information concerning Brockman and the existing circumstances affecting the business of Brockman which are known to Wah Nam Australia at the time of preparation of this Bidder's Statement.

Final decisions on these matters will only be reached in light of all material facts known to Wah Nam Australia and Wah Nam International and the circumstances at the relevant time. Accordingly, any statements set out in the following sections are statements of the current intentions only which may vary as new information becomes available or circumstances change.

The intentions of Wah Nam Australia are the same as the intentions of Wah Nam International, and both are collectively referred to as Wah Nam International in this Section 8.

### 8.2 Intentions upon acquisition of 90% or more of Brockman

#### (a) Compulsory acquisition of Brockman Shares

If Wah Nam Australia is successful in gaining 90% or more interest in Brockman through acceptances of the Offer, and if entitled to do so, Wah Nam Australia intends to proceed with the compulsory acquisition of any Brockman Shares not acquired under the Offer in accordance with the Corporations Act.

#### (b) Directors and corporate structure

Wah Nam International intends to review the composition of the existing Brockman board with a view to ensuring the most appropriate management structure for the advancement of the Marillana Project.

#### (c) ASX Listing

As part of the compulsory acquisition process, Wah Nam International will arrange for Brockman to be removed from the official list of the ASX in accordance with the requirements of the ASX.

#### (d) Option

If it is required to do so under section 663A of the Corporations Act, Wah Nam Australia intends to give notices to Brockman Option holders offering to acquire all of their outstanding Brockman Options, in accordance with 663B of the Corporations Act.

### **(e) Brockman's operations and assets**

Wah Nam International's current intention is to continue the operation of Brockman's existing business within one entity. In particular, 100% ownership of Brockman will allow Wah Nam International to justify the significant further investment required to accelerate:

- completion of the bankable feasibility study on the Marillana Project;
- the construction of the NWI port;
- a rail and port solution for the Marillana Project;
- funding of the capital expenditure required for the Marillana Project through debt, equity or joint venture partners; and
- exploration of Brockman's other iron ore projects.

### **(f) Employees**

Wah Nam International does not intend to make significant changes to Brockman management or operational activities. Employment decisions will be made in the context of the expected growth of the Combined Group, particularly to support the development of the Marillana Project.

### **(g) Ongoing management**

Wah Nam International will, after the end of the Offer Period and in the ordinary course of managing Brockman's existing business, conduct a general review of the operations, assets, appropriate capital structure (including surplus cash) and employees.

Brockman is currently undertaking a search for a permanent CEO and Wah Nam International was instrumental in initiating this search and intends to continue to search for an appropriate CEO for Brockman.

## **8.3 Intentions upon ownership of less than 90% of Brockman but more than 80%**

Set out below are Wah Nam International's intentions if Wah Nam Australia acquires at least 80% of Brockman Shares, declares the Offer to be free from all the other conditions in Section 13.9 and Wah Nam Australia does not acquire at least 90% of Brockman Shares, and is therefore not entitled to compulsorily acquire the remaining Brockman Shares and other securities. In this situation, Brockman Shareholders should be aware that, if they do not accept the Offer, they may become a "locked-in" minority at the expiration of the Offer Period.

Subject to the level of Wah Nam Australia's shareholding in Brockman, Wah Nam International intends to:

- acquire Brockman Shares over time so as to enable Wah Nam Australia to move to compulsory acquisition;
- unless Brockman has more than the required spread of shareholders under the ASX Listing Rules, make an application to remove Brockman from the official list of the ASX;
- review the extent of the integration intentions set out in Section 8.2 above, as are consistent with Brockman being a controlled entity of Wah Nam International but not a wholly-owned subsidiary.

## **8.4 Intentions upon ownership of less than 80% of Brockman**

Set out below are Wah Nam International's intentions if Wah Nam Australia declares the Offer to be free from all the conditions in Section 13.9 and Wah Nam Australia does not acquire at least 80% of Brockman Shares.

Wah Nam International's current intention is to continue the operation of Brockman's existing business and in particular to accelerate the development of the Marillana Project for the benefit of all Brockman Shareholders. Wah Nam International intends to continue to progress:

- the strategic review of Brockman's business to oversee Brockman's transition to an iron ore producer; and
- the search for a permanent CEO of Brockman with experience in developing and financing a project of similar scale to the Marillana Project.

Whilst it holds less than 80% of Brockman, Wah Nam International does not currently intend to make an application to remove Brockman from the official list of the ASX.

Wah Nam International will review its corporate governance procedures and protocols between Wah Nam International and Brockman in order to ensure the protection of the interests of minority Brockman Shareholders.

## 8.5 Limitation on intentions

The implementation of Wah Nam International's intentions in the event of Wah Nam International controlling less than 100% of Brockman, will be subject to the Corporations Act, the ASX Listing Rules, Brockman's constitution and the obligations of Brockman's directors to act in the best interests of Brockman and all Brockman Shareholders.

In particular, if Wah Nam Australia does not obtain 90% of Brockman and therefore cannot compulsorily acquire the balance of Brockman Shares, the Related Party provisions of the Corporations Act (and the ASX Listing Rules) will apply.

Wah Nam International will only make a decision on its courses of action in these circumstances after it receives appropriate legal and financial advice on such matters, where required, including in relation to any requirements for Brockman Shareholder approval.

## 8.6 Other intentions

Other than as set out in this Section 8, it is the present intention of Wah Nam International to procure that Brockman will:

- generally continue the business of Brockman;
- not make any major changes to the business of Brockman nor redeploy any of the fixed assets of Brockman; and
- continue the employment of Brockman's present employees.



## 9. Sources of Consideration

### 9.1 Cash

#### (a) Consideration under the Offer

The Cash Consideration will be satisfied by payment in Australian dollars.

Based on:

- the number of Brockman Shares on issue;
- the number of A\$1.25 Brockman Options, A\$1.30 Brockman Options and A\$3.00 Brockman Options on issue; and
- the fact that Wah Nam Australia already has a relevant interest in 55.33% Brockman Shares,

as at the date of the Offer, and

- assuming all holders of A\$1.25 Brockman Options, A\$1.30 Brockman Options and A\$3.00 Brockman Options convert their Brockman Options,

then the maximum amount of cash consideration that would be payable by Wah Nam Australia under the Offer if acceptances were received for all Brockman Shares in which Wah Nam Australia does not already have a relevant interest is approximately A\$100.6 million, not including transaction costs.

Wah Nam Australia has reasonable grounds to expect the holders of the A\$3.21 Brockman Options and the A\$5.85 Brockman Options will not exercise their Brockman Options and accept the Offer. This view has been formed based on analysis of the historical volatility of Wah Nam International Shares over time periods equivalent to the Offer Period and the potential impact upon the Implied Value.

#### (b) Overview of Wah Nam Australia's funding arrangements

Wah Nam Australia will fund the cash consideration payable under the Offer using a combination of:

- existing cash resources;
- the proceeds from the issue of the Subscription Shares and the Convertible Bond pursuant to the Subscription Agreement; and
- the proceeds from the issue of the Placement Shares pursuant to the Underwriting Agreement.

Each of these sources of funds is discussed in more detail below.

The aggregate of the existing cash resources, the proceeds from the issue of the Subscription Shares and the Convertible Bond pursuant to the Subscription Agreement described in Section 9.1(d) and the issue of the Placement Shares pursuant to the Underwriting Agreement described in Section 9.1(e) are in excess of the maximum amount payable under the Offer, together with the amounts required to cover all transaction costs associated with the Offer and the A\$/US\$ exchange rate reaching US\$1.10.

To limit its exposure to exchange rate variations, Wah Nam Australia has included as a condition of the Offer, the Condition set out in paragraph 13.9(h). If it has not already done so, Wah Nam International intends, at the first opportunity where the A\$/US\$ exchange rate does not exceed US\$1.10 during the 5 Trading Days after the satisfaction of the last of Conditions in 13.9(a), 13.9(b), 13.9(c), 13.9(d) or 13.9(e), to convert into Australian dollars the funds necessary to satisfy the Cash Consideration if all Brockman Shareholders were to accept the Offer, or where the full amount is not converted into Australian dollars, enter into a foreign currency hedging arrangement for the balance of the required funds.

Wah Nam Australia does not intend to waive the Condition set out in 13.9(h) before the funds necessary to satisfy the Cash Consideration are held in readily available Australian dollars or it has entered into a foreign currency hedging arrangement for the balance of the required funds.

### (c) Cash Resources

Wah Nam International has set aside A\$33.7 million of its cash reserves to be available to fund the Offer.

### (d) Subscription Agreement

On 12 December 2011 Wah Nam International and the Subscriber entered into the Subscription Agreement whereby the Subscriber agreed, subject to the Subscription Conditions Precedent, to subscribe for the Subscription Shares at an aggregate consideration of HK\$333,060,000 (A\$42,253,092) and subscribe for a Convertible Bond for a principle amount of HK\$173,940,000 (A\$22,066,603).

Upon execution of the Subscription Agreement the Subscriber paid Wah Nam International a deposit equivalent to the aggregate consideration for the Subscription Shares and the Convertible Bond. The deposit is refundable in the event that the Subscription Conditions Precedent have not been satisfied or waived by 6:00pm (WST) on 31 January 2012, or by such date and time as agreed between Wah Nam International and the Subscriber (**Long Stop Date**). On completion Wah Nam International will apply the deposit as the subscription price for the Subscription Shares and the Convertible Bond.

The Subscription Conditions Precedent to completion are as follows:

- there being no material breach of Wah Nam International's warranties which are of a standard nature;
- Wah Nam International Shareholders in general meeting passing a resolution approving the Subscription Agreement, including the issue of the Subscription Shares and the Convertible Bond and the Wah Nam International Shares to be issued upon conversion of the Convertible Bond;
- the Listing Committee of the HKEx having granted the listing of, and permission to deal in, the Subscription Shares and the Wah Nam International Shares to be issued upon conversion of the Convertible Bond; and
- there being, since the date of the Subscription Agreement and up until the time immediately prior to the date of completion, no material adverse change in the financial position and trading prospects of the Wah Nam International Group and no event which has or could reasonably be expected to have a material adverse effect on the Wah Nam International Group to the reasonable satisfaction of the Subscriber.

The transaction will complete on the second Business Day after the Subscription Conditions Precedent are satisfied or waived.

The Subscription Agreement will become null and void and have no further effect if the Subscription Conditions Precedent have not been satisfied or waived by the Long Stop Date.

Upon allotment of the Subscription Shares and the Wah Nam International Shares to be issued upon conversion of the Convertible Bond, Wah Nam International will apply for their permission for admission to quotation on the ASX.

In the event of:

- completion of the Placement and the Subscription; and
- 100% conversion of the Convertible Bond; and
- assuming all Brockman Shareholders accept the Offer; and
- all holders of A\$1.25 Brockman Options, A\$1.30 Brockman Options and A\$3.00 Brockman Options convert their Brockman Options and accept the Offer,

the Subscriber, who is an existing Wah Nam International Shareholder, would hold approximately 15.6% (inclusive of its existing shareholding) of the issued share capital of Wah Nam International and Brockman. However, the terms of the Convertible Bond prevent the Subscriber having an interest in Wah Nam International in excess of 14.9% without obtaining prior FIRB approval (see Section 12.3).

### (e) Underwriting

On 12 December 2011 Wah Nam International and the Underwriter entered into the Underwriting Agreement whereby the Underwriter agreed, in consideration of receiving commission of 2.5% of the aggregate price of the Placement Shares, to procure, on a fully underwritten basis, places for the Placement Shares at an aggregate price of HK\$78,000,000 (A\$9,895,337), subject to the terms and conditions set out in the Underwriting Agreement.

The Placement Conditions Precedent to completion are as follows:

- there being no material breach of Wah Nam International's warranties which are of a standard nature;
- there being no material breach of the Underwriter's warranties which are of a standard nature;
- Wah Nam International Shareholders in general meeting passing a resolution approving the Underwriting Agreement and the issue of the Placement Shares;

- the Listing Committee of the HKEx having granted the listing of, and permission to deal in, the Placement Shares; and
- there being, since the date of the Underwriting Agreement and up until the time immediately prior to the Transaction Date, no material adverse change in the financial position and trading prospects of the Wah Nam International Group and no event which has or could reasonably be expected to have a material adverse effect on the Wah Nam International Group to the reasonable satisfaction of the Underwriter.

The Underwriting Agreement will become null and void and have no further effect if the Placement Conditions Precedent have not been satisfied or waived by 31 January 2012.

## 9.2 Shares

The scrip component of the Offer Consideration will be satisfied by Wah Nam International issuing Wah Nam International Shares.

The maximum number of Wah Nam International Shares which would be required to be issued under the Offer if acceptances are received in respect of all the Brockman Shares on issue as at the date of this Bidder's Statement is approximately 1,164,414,924 Wah Nam International Shares.

If all Brockman holders of A\$1.25 Brockman Options, A\$1.30 Brockman Options and A\$3.00 Brockman Options convert their options into Brockman Shares before the end of the Offer Period and accept the Offer, then 1,206,714,924 Wah Nam International Shares (being 23% of Wah Nam International's current share capital) will be required to be issued.

Wah Nam International has agreed with Wah Nam Australia that, subject to prior shareholder approval, it will issue sufficient Wah Nam International Shares to satisfy the Offer Consideration payable to Brockman Shareholders.

Wah Nam International has confirmed with Wah Nam Australia that it has the authorised share capital needed to issue the maximum number of Wah Nam International Shares which may be required to issue under the Offer.

# 10. Australian Taxation Considerations

## 10.1 Introduction

This section provides a general summary of the Australian income tax consequences for Australian tax resident shareholders who hold their Brockman Shares on capital account for income tax purposes, who become shareholders of Wah Nam International, as a result of accepting the Offer. This summary does not apply to non-resident Brockman Shareholders, Brockman Shareholders who hold their Brockman Shares as trading stock or revenue assets for income tax purposes or Brockman Shareholders who acquired their Brockman Shares under the Brockman Employee Share Option Plan. Non-resident Brockman Shareholders may be subject to tax in Australia on the disposal of their Brockman Shares in certain circumstances.

The summary set out below is based on existing law at the time of writing and does not take into account or anticipate changes in law (by legislation or judicial decision). In addition, the outline is not exhaustive of all income tax considerations that could apply in all circumstances of any given Brockman Shareholder.

The comments are intended as a general guide to the Australian tax implications only and do not take into account the objectives, financial situation, needs or circumstances of any individual Brockman Shareholder. All Brockman Shareholders are strongly advised to obtain their own professional advice on the tax implications of accepting the Offer, based on their own specific circumstances.

## 10.2 Australian resident shareholders

The transfer of Brockman Shares to Wah Nam International will be a CGT event for Brockman Shareholders. Brockman Shareholders will make a:

- capital gain to the extent the Implied Value of the Offer Consideration is greater than the CGT cost base of their Brockman Shares; or
- capital loss to the extent the Implied Value of the Offer Consideration is less than the CGT reduced cost base of their Brockman Shares.

The time of recognition of the disposal for CGT purposes is relevant to the:

- calculation of any capital gain or loss; and
- income year in which such a gain or loss must be recorded in an income tax return.

The time of recognition of the disposal depends upon when a Brockman Shareholder accepts the Offer and when the Offer becomes unconditional. If a Brockman Shareholder accepts the Offer:

- before the Offer becomes unconditional, the time of recognition of the disposal will be the date the Offer becomes unconditional; or
- on or after the Offer becoming unconditional, the time of recognition of the disposal will be the date the Brockman Shareholder accepts the Offer.

All capital gains and capital losses made by a Brockman Shareholder (including the gain or loss on the Brockman Shares) in an income year are aggregated to determine whether a net capital gain or net capital loss is made for that income year.

To the extent a net capital gain is derived in an income year by a Brockman Shareholder, that amount is included in their assessable income (subject to the comments below in relation to the availability of partial scrip-for-scrip rollover relief). If a Brockman Shareholder incurs a capital loss, it may be used to offset a capital gain made in the same income year or in a future income year (subject to certain rules relating to the recoupment of carried forward losses). A capital loss may not be used to offset ordinary assessable income.

Australia's tax regime provides relief from tax for capital gains made on the exchange of shares in one entity for shares in another entity, in limited circumstances. This is referred to as CGT scrip-for-scrip rollover relief. There are several conditions for CGT scrip-for-scrip rollover relief which need to be satisfied, and it is not possible to state at the time of writing and before the outcome of the Offer is known whether all of these conditions will be satisfied. Broadly, the conditions to be satisfied are:

- the Brockman Shareholder exchanges their Brockman Shares for Wah Nam International Shares as a consequence of a single arrangement;
- the single arrangement results in Wah Nam International becoming owners of at least 80% of the ordinary shares in Brockman. This 80% threshold may include Brockman Shares already held by Wah Nam International; and
- a capital gain would arise for the Brockman Shareholder as a result of the exchange.

If eligible, scrip-for-scrip rollover relief should permit Brockman Shareholders to choose to defer any capital gain on the transfer of Brockman Shares to the extent that capital gain relates to the acquisition of Wah Nam International Shares (as opposed to cash consideration). This means that where a Brockman Shareholder elects for scrip-for-scrip rollover relief, a taxable capital gain should only arise to the extent that the gain is referable to the part of the Offer Consideration that consists of cash.

Where scrip-for-scrip rollover relief is available and chosen by a Brockman Shareholder, the cost base of their Wah Nam International Shares received under the Offer is to be calculated by reasonably attributing to it the cost base of the original Brockman Shares exchanged for the new Wah Nam International Shares. Before that attribution, the cost base of the Brockman Share is to be reduced by so much of it as was included in the cost base of the Brockman Share in working out the capital gain on the receipt of the cash component of the Offer Consideration.

Brockman Shareholders' cost base of the Wah Nam International Shares will be relevant in working out any future Australian CGT liability on the subsequent disposal of the Wah Nam International Shares.

The following example illustrates how the cost base of Wah Nam International Shares received under the Offer is to be determined where scrip-for-scrip rollover relief is available and chosen.

### Example

*The figures in this example are for illustrative purposes only. They are not intended to reflect the actual values at which elements of the Offer will be undertaken.*

The cost base of a Brockman Shareholder's Wah Nam International Shares acquired in exchange for their original Brockman Shares is based on the following formula (where CGT rollover relief is available and chosen):

Cost base of original (10,000) Brockman Shares = A\$18,000\*

*\*Indicative Only*

Capital proceeds received = Cash Consideration (A\$1.50 per Brockman Share)  
 + Scrip Consideration (market value of new Wah Nam International Shares)  
 = A\$15,000 + A\$14,400  
 = A\$29,400

Cost base of original Brockman Shares exchanged for the Cash Consideration  
 = A\$18,000 × (A\$15,000/A\$29,400)  
 = A\$9,184

Therefore, the Brockman Shareholder would have a taxable gain on the cash component of A\$5,816.

Total cost base of new Wah Nam International Shares acquired	=	Cost base of original Brockman Shares	-	Cost base of original Brockman Shares exchanged for the Cash Consideration
A\$8,816	=	A\$18,000	-	A\$9,184

The choice to apply the rollover rules must be made before the Brockman Shareholder lodges the income tax return for the income tax year in which the Brockman Shares are disposed. A Brockman Shareholder does not need to document its choice to claim scrip-for-scrip rollover relief for Australian income tax purposes, other than by completing its income tax return in a manner that is consistent with that choice.

If the Brockman Shareholder chooses not to apply CGT scrip-for-scrip rollover relief or if CGT scrip-for-scrip rollover relief is unavailable, then a CGT discount may be available. Very broadly, a CGT discount is available if the Brockman Shareholder is an Australian resident individual, complying superannuation entity or trust and has held their Brockman Shares for more than 12 months. If available, in respect of individuals and trusts, the CGT discount will reduce the net capital gain by 50%. The net capital gain will be reduced by 33.3% for complying superannuation entities. The CGT discount is not available for companies.

If the Brockman Shareholder chooses not to apply CGT scrip-for-scrip rollover relief or if CGT scrip-for-scrip rollover relief is unavailable then the cost base of the acquired Wah Nam International Shares will be equal to the cash component received and the Wah Nam International Shares' market value at the time of recognition of the disposal of the relevant Brockman Shares.

If the Brockman Shareholder chooses to apply CGT scrip-for-scrip rollover relief, they will be taken to have acquired their Wah Nam International Shares at the time they acquired their original Brockman Shares for the purposes of determining any entitlement to a discount on an otherwise assessable capital gain arising on a subsequent dealing in Wah Nam International Shares.

### **10.3 Dividends received from Wah Nam International**

Though listed on the ASX (and HKEx), Wah Nam International is not an Australian resident company. Any dividends paid by Wah Nam International will not be franked for Australian income tax purposes. Generally this means that any dividends paid on the Wah Nam International Shares will be fully taxable to Brockman Shareholders with no franking tax offset available.

### **10.4 Stamp duty and GST**

Brockman Shareholders who dispose of their Brockman Shares are not anticipated to incur Australian stamp duty in respect of the acquisition of Wah Nam International Shares.

Brockman Shareholders are not anticipated to be subject to GST in respect of their disposal.

# 11. Investigating Accountant's Report



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

Our ref: AM:SA

13 December 2011

The Directors  
Wah Nam International Holdings Limited  
Room 2805, 28/F, West Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

Dear Sirs

## INVESTIGATING ACCOUNTANT'S REPORT

### 1. Introduction

We have prepared this Investigating Accountant's Report ("**Report**") on historical financial information of Wah Nam International Holdings Limited ("**Wah Nam**") for inclusion in the Bidder's Statement for the purpose of illustrating the financial impact of the acquisition of the remaining 44.67% equity interest in Brockman Resources Limited ("**Brockman**") (the "**Acquisition**"), as if the Acquisition had taken place on 30 June 2011.

### 2. Basis of Preparation

This Report has been prepared to provide investors with information on the pro-forma consolidated balance sheet as noted in Section 6.7 of the Bidder's Statement.

This Report does not address the rights attaching to the Shares to be issued in accordance with the Bidder's Statement, nor the risks associated with the investment, and has been prepared based on the complete Offer being achieved. Neither BDO Corporate Finance (WA) Pty Ltd nor its related entities ("**BDO**") has been requested to consider the prospects for Wah Nam, the Shares on offer or related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, and does not purport to do so. BDO accordingly takes no responsibility for these matters or for any matter or omission in the Bidder's Statement, other than responsibility for this Report. Risk factors are set out in the Bidder's Statement.

Expressions defined in the Bidder's Statement have the same meaning in this Report.





### 3. Background

Wah Nam is an investment holding company incorporated in Bermuda which has been listed on the Hong Kong Stock Exchange since 2002. Wah Nam is involved in a number of activities including

- The exploitation, processing and sales of mineral resources in the Peoples Republic of China (“PRC”);
- The provision of limousine rental and airport shuttle bus transportation services in Hong Kong and the PRC;
- The acquisition and exploration of mineral tenements in Australia; and
- Investments in equity securities.

### 4. Scope

You have requested BDO to prepare an Investigating Accountant's Report covering the following financial information:

- the historical consolidated balance sheet as at 30 June 2011 for Wah Nam;
- the pro-forma consolidated balance sheet as at 30 June 2011, reflecting the actual position as at that date, major transactions between that date and the date of our report and the proposed Acquisition under the Bidder's Statement; and
- the accounting policies applied by Wah Nam in preparing its financial statements, (the “Financial Information”).

The historical financial information set out in Section 6.7 has been extracted from the financial statements of Wah Nam for the half year ended 30 June 2011.

The Directors are responsible for the preparation of the historical financial information including determination of the adjustments.

We have conducted our review of the historical financial information in accordance with the Australian Auditing and Assurance Standard ASRE 2405 “Review of Historical Financial Information Other than a Financial Report”. We made such inquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents pertaining to balances in existence at 30 June 2011;
- a review of the assumptions used to compile the pro-forma consolidated balance sheet;
- a review of the adjustments made to the pro-forma historical financial information;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Wah Nam as disclosed in their previous Annual Report (31 December 2010) and Interim Report (30 June 2011); and
- enquiry of Directors and others.



These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review was limited primarily to an examination of the historical financial information, the pro-forma financial information, analytical review procedures and discussions with both management and directors. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or pro-forma financial information included in this Report or elsewhere in the Bidder's Statement.

In relation to the information presented in this Report:-

- support by another person, corporation or an unrelated entity has not been assumed;
- the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- the going concern basis of accounting has been adopted.

## 5. Conclusion

### Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in Section 6.7 does not present fairly the financial position as at 30 June 2011 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

### Statement of Pro-forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the pro-forma financial information does not present fairly the financial position as at 30 June 2011 in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.

## 6. Subsequent Events

The pro-forma balance sheet after Acquisition, as set out in section 6.7, reflects the events that have occurred subsequent to the period ended 30 June 2011, as set out in Section 6.8.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of Wah Nam have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.



## 7. Assumptions Adopted in Compiling the Pro-forma Balance Sheet

The pro-forma balance sheet after Acquisition is set out in section 6.7. This has been prepared based on the reviewed financial statements as at 30 June 2011, the subsequent events set out in Section 6.8, and the pro-forma transactions and events relating to the Acquisition under this Bidder's Statement as set out in Section 6.8.

## 8. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Bidder's Statement in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

**Adam Myers**

Director

## 12. Other Material Information

### 12.1 Bid Implementation Agreement

Wah Nam International and Brockman have entered into the Bid Implementation Agreement in relation to the Offer. A summary of the key terms of the Bid Implementation Agreement are set out below.

#### (a) Making of the Bid

Wah Nam International agreed to make an offer on terms and conditions no less favourable than as set out in Section 13.

As Wah Nam Australia is making the Offer on Wah Nam International's behalf, Wah Nam International must procure that Wah Nam Australia performs its obligations under the Bid Implementation Agreement.

#### (b) Brockman's assessment of the Offer

##### Independent Brockman Directors' recommendation

Brockman agreed that in any public statements relating to the Offer, each Independent Brockman Director will recommend that Brockman Shareholders accept the Offer in the absence of a Superior Proposal for Brockman, subject only to the Independent Expert concluding that the Bid is fair and reasonable to Brockman Shareholders.

##### Maintenance of recommendation

Brockman agreed that the Independent Brockman Directors and the Independent Brockman Board will not make any public statement or take any other action that qualifies or contradicts their support of the Offer, or subsequently change, withdraw or modify their recommendation.

This restriction does not apply where the Independent Brockman Board determines (after Wah Nam International's right of last offer summarised under paragraph 12.1(d) have been exhausted) that a Competing Proposal constitutes a Superior Proposal, or where the Independent Expert gives a report that concludes that the Offer is not fair and reasonable or having originally given a report that the Offer is fair and reasonable changes its opinion to conclude that the Offer is not fair and reasonable, or where the Independent Brockman Board has determined in good faith after receiving expert advice that the Independent Brockman Directors' duties require them to change their recommendation.

##### Independent Brockman Directors' intentions

Brockman represented and warranted to Wah Nam International that each Independent Brockman Director has indicated their intention to accept the Offer in relation to any Brockman Shares that they own or control within 2 days after the Conditions set out in paragraphs 13.9(a), 13.9(b), 13.9(c) and 13.9(d) have been satisfied.

These intentions do not need to be proceeded with if the Independent Brockman Board determines (after complying with the obligations in relation to Wah Nam International's right of last offer) that a Competing Proposal constitutes a Superior Proposal, or the Independent Expert gives a report that concludes that the Offer is not fair and reasonable or having originally given a report that the Offer is fair and reasonable changes its opinion to conclude that the Offer is not fair and reasonable.

#### (c) Facilitating and promoting the Offer

During the Offer Period, in the absence of a Superior Proposal (which the Independent Brockman Directors recommend to Brockman Shareholders after Brockman has complied with the obligations in relation to Wah Nam International's right of last offer) and subject only to the Independent Expert concluding that the Offer is fair and reasonable, Brockman has agreed to support and procure that the Independent Directors support the Offer, and use its reasonable endeavours to procure that Brockman's chief financial officer and company secretary, as reasonably requested by Wah Nam International, support the Offer.

Brockman has also agreed that it will, during the Offer Period, participate in efforts which are reasonably required by Wah Nam International to promote the merits of the Offer. This may include meeting with key Brockman Shareholders, analysts, management, customers, press and other parties mutually agreed with Wah Nam International.

Brockman will not be required to comply with the above obligations if the Independent Brockman Board has determined in good faith, after receiving external legal advice, that taking those actions would reasonably be likely to constitute a breach of the Independent Brockman Board's fiduciary or statutory obligations.

#### **(d) Exclusivity**

Brockman represented and warranted to Wah Nam International that neither Brockman nor any of its representatives were engaged in any negotiations or discussions with any entity or any person in relation to the possible making of a Competing Proposal nor had they received any communication indicating that Brockman will be approached to commence negotiations or discussions regarding a Competing Proposal.

Brockman also represented and warranted that it and its representatives had ceased any existing discussions or negotiations with any party which may reasonably be expected to lead to a Competing Proposal.

#### **No shop**

During the Exclusivity Period, Brockman will not, and will ensure that its representatives do not, except with Wah Nam International's prior written consent, directly or indirectly solicit or invite any Competing Proposal or expression of interest or offer which may lead to a Competing Proposal, or initiate discussions with any third party which may reasonably be expected to lead to a Competing Proposal.

#### **No talk, no due diligence and no commitments**

During the Exclusivity Period, Brockman agreed not to, and to ensure that its representatives do not, except with Wah Nam International's prior written consent:

- participate in any discussions or negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal, or communicate any intention to do so;
- provide any information to any third party for the purposes of enabling that party to make a Competing Proposal, or communicate any intention to do so; or
- enter into any agreement, arrangement or understanding in relation to a Competing Proposal requiring Brockman to abandon, or otherwise fail to proceed with, the Offer.

The restrictions and obligations described above do not apply to the extent that they restrict Brockman from taking or not taking action in relation to a bona fide Competing Proposal (which was not encouraged, solicited or invited by Brockman or its representatives) provided that the Independent Brockman Board has determined in good faith that the proposal could reasonably be expected to lead to a Superior Proposal and, after receiving external legal advice, that failing to respond to the proposal would constitute or would be likely to constitute a breach of the Independent Brockman Board's fiduciary or statutory obligations.

#### **Notice of unsolicited approach and right of last offer**

During the Exclusivity Period, Brockman agreed that it would promptly notify Wah Nam International of any approach or attempt to initiate, resume or continue discussions or negotiations with Brockman or any of its representatives, which may reasonably be expected to lead to a Competing Proposal. Brockman also agreed to promptly notify Wah Nam International of any request for information relating to Brockman or the Brockman Group or any of their businesses or operations or any request for access to their books or records, other than requests occurring in the ordinary course of business.

If Brockman notifies Wah Nam International of a Competing Proposal and of its intention to enter into an agreement, commitment, arrangement or understanding in relation to that proposal, Wah Nam International has the right to make a counterproposal to Brockman within 3 Business Days after receiving the notice.

Brockman and the Independent Brockman Board will consider such a counterproposal in good faith and, if it considers that the counterproposal would provide a benefit to Brockman Shareholders at least equal to the Competing Proposal, Brockman and Wah Nam International have agreed to use reasonable endeavours to amend the Bid Implementation Agreement and implement the counterproposal as soon as reasonably practicable.

The restrictions and obligations described above do not apply if the Independent Brockman Board has determined in good faith, after receiving external legal advice, that taking these actions would be reasonably likely to constitute a breach of the Independent Brockman Board's fiduciary or statutory obligations.

### **(e) Options and Shareholder Loans**

Wah Nam International represented and warranted that it will:

- make an offer for the A\$1.25 and the A\$1.30 Brockman Options; and
- ensure that the Bidder's Statement contains appropriate disclosure regarding the remittance of the Offer Consideration to Brockman in respect of any acceptances of the Offer by a borrower under a Brockman Employee Loan.

Brockman represented and warranted that it will use all reasonable endeavours and do everything reasonably practicable to:

- ensure that each borrower under a Brockman Employee Loan is able to accept the Offer; and
- seek the agreement of holders of A\$3.00 Brockman Options, A\$3.21 Brockman Options and A\$5.85 Brockman Options to the cancellation (subject to the Offer becoming unconditional) on arm's length terms, of their Brockman Options.

### **(f) Reimbursement of legal costs**

Wah Nam International has agreed to pay Brockman a fee of up to A\$1 million (including GST) for Brockman's reasonable legal costs and costs relating to the Independent Expert incurred and paid in relation to the Offer. This fee will be payable if any of the Conditions set out in paragraphs 13.9(a), 13.9(b), 13.9(c) or 13.9(d) have not been satisfied or waived by the end of the Offer Period. The fee will also be payable if Brockman terminates the Bid Implementation Agreement for any of the following reasons:

- if the meeting of Wah Nam International Shareholders is not held and concluded within 60 days after the Announcement Date;
- if the Subscription is not completed in accordance with its terms within 60 days after the Announcement Date;
- if the Placement is not completed in accordance with its terms within 60 days after the Announcement Date; or
- if Wah Nam International commits a material breach of the Bid Implementation Agreement and that material breach is not remedied within the prescribed time.

## **12.2 Confidentiality Agreement**

Wah Nam International and Brockman have entered the Confidentiality Agreement in relation to the Offer. The Confidentiality Agreement contains terms and conditions which are standard for a document of this nature other than a term in relation to the exchange of information.

Wah Nam International has agreed that it will give Brockman a reasonable opportunity to review Wah Nam International's application to FIRB for approval of the Offer in accordance with the Condition in Section 13.9(a) and correspondence or communications it proposes to send to FIRB in relation to this approval. Wah Nam International must consult in good faith with Brockman with respect to any comments Brockman may have in relation to the correspondence or communications it proposes to send to FIRB.

This obligation on Wah Nam International only applies to the extent practicable. It is also subject to any confidentiality restrictions or requirements imposed by FIRB. Wah Nam is also permitted to redact parts of the documents in relation to commercially sensitive matters.

## 12.3 Terms of the Convertible Bond

Set out below are the terms and conditions of the Convertible Bond.

- **Principal Amount:** HK\$173,940,000.
- **Maturity Date:** the second anniversary of the issue of the Convertible Bond.
- **Status and transferability:** the Convertible Bond may be assigned or transferred to any third person which is not a connected party (as that term is defined in the HKEx Listing Rules).
- **Interest:**
  - Interest is payable on redemption of the outstanding principal amount of the Convertible Bond on the Maturity Date, at a rate of 5%, in so far as the conversion rights have not been exercised prior to or on the Maturity Date.
  - Default interest is payable, at a rate of 20%, if the Convertible Bond becomes due and payable on the occurrence of any event of default (as described below) (**Default Interest**).
- **Conversion rights**
  - If the Subscriber's interest in Wah Nam International does not exceed 14.9% then the Convertible Bond automatically converts at the end of each month prior to the maturity date, to the extent that immediately upon the conversion of the relevant portion, the Subscriber's interest does not exceed 14.9%.
  - Wah Nam International may require the Bondholder to convert any outstanding amount of the Convertible Bond to the extent that upon the conversion, the interest of the Bondholder in Wah Nam International's share capital is not more than 14.9%.
  - Where the Bondholder has obtained approval from FIRB to obtain more than a 15% interest in Wah Nam International, the whole of the outstanding principal amount of the Convertible Bond automatically converts.
- **Conversion price:** the conversion price is HK\$0.60 per Wah Nam International Share, subject to any adjustments due to a reorganisation of the Wah Nam International Share Capital, provided that if HK\$0.60 is less than the nominal amount of a Wah Nam International Share, the conversion price is the nominal amount of a Wah Nam International Share.
- **Early Redemption:** if the Offer lapses, the Bondholder has the right to require Wah Nam International to redeem the whole, or part, of the Convertible Bond.
- **Events of Default:** the events of default include the following circumstances:
  - except where a takeover offer for Wah Nam International becomes unconditional, where the listing of the Wah Nam International Shares on the HKEx:
    - ceases; or
    - is suspended for a continuous period of 30 business, on each of which the HKEx is generally open for trading, due to the default of Wah Nam International or any of its directors, officers or employees;
  - Wah Nam International has or will become obliged to pay additional tax as a result of any change in the laws or regulations of Hong Kong or Bermuda. The event of default occurs when it is less than 90 days to when Wah Nam International would be obliged to pay the additional tax.

Except as set out below, the sole remedy for the Bondholder upon the occurrence of an event of default by Wah Nam International is to give notice to Wah Nam International that the Convertible Bond is due and payable at the principal amount then outstanding plus the Default Interest. If Wah Nam International fails to issue the Wah Nam International Shares upon conversion of the Convertible Bond, the Bondholder can bring an action against Wah Nam International for either specific performance or damages.

## 12.4 Brockman Employee Loan Holders

The Brockman board has advised that they intend to amend the terms of the Brockman Employee Loan Scheme so that Consideration Shares may be recorded as security for the Brockman Employee Loan.

Persons who hold Brockman Shares under the terms of the Brockman Employee Loan Scheme and who wish to accept the Offer should contact the Brockman Company Secretary to arrange for the Holding Lock on their Brockman Shares to be released and to receive a copy of the revised terms of the Brockman Employee Loan.

If you are a Brockman Employee Loan Holder you will receive a letter from the Brockman Company Secretary setting out in more detail what you need to do to accept the Offer.



## 12.5 Brockman Optionholders offers

Wah Nam Australia has also made offers to acquire all of the A\$1.25 Brockman Options and A\$1.30 Brockman Options which exist as at the Register Date.

Pursuant to clause 21 of the Brockman Employee Share Option Plan, the Brockman board has advised that it intends to approve the transfer of Brockman Options to Wah Nam Australia pursuant to the Options Offer.

The consideration being offered for the A\$1.25 Brockman Options and the A\$1.30 Brockman Options is as follows:

Brockman Option	Expiry	Consideration offered per Brockman Option held
A\$1.25	20 April 2013	A\$0.25 plus 18 Wah Nam International Shares
A\$1.30	11 November 2013	A\$0.20 plus 18 Wah Nam International Shares

Unless withdrawn, the Options Offer will remain open for the duration of the Offer Period.

Consideration to be issued to accepting Brockman Optionholders will be issued on or before 14 days after the end of the Offer Period.

The Options Offer and any contract that results from acceptance of the Options Offer is subject to:

- the requisite majority of Wah Nam International Independent Shareholders approving the acquisition by Wah Nam Australia of all of the A\$1.25 Brockman Options and the A\$1.30 Brockman Options and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares;
- the Offer being declared unconditional; and
- at the end of the Offer Period, Wah Nam Australia having a Relevant Interest in at least 90% of all Brockman Shares.

Wah Nam Australia may withdraw the Options Offer at any time.

No interest will be paid on the consideration payable under the Options Offer, regardless of any delay in paying the consideration or any extension of the Offer Period.

If you are a A\$1.25 Brockman Optionholder or a A\$1.30 Brockman Optionholder you would have received a separate offer for your Brockman Options. Please refer to that document for the full terms of the Options Offer.

In the Bid Implementation Agreement, Brockman represented and warranted that it will use all reasonable endeavours to seek the agreement of holders of A\$3.00 Brockman Options, A\$3.21 Brockman Options and A\$5.85 Brockman Options to the cancellation (subject to the Offer becoming unconditional) on arm's length terms, of their Brockman Options.

If you are a holder of A\$3.00 Brockman Options, A\$3.21 Brockman Options or a A\$5.85 Brockman Options you will receive further information from Brockman.

## 12.6 Interests and benefits of Wah Nam Australia's and Wah Nam International's directors

Other than as set out elsewhere in this Bidder's Statement, no Wah Nam Australia or Wah Nam International director or proposed director holds, at the time of lodgment of the Bidder's Statement with ASIC, or has held in the 2 years before lodgment of the Bidder's Statement with ASIC, an interest in:

- the formation or promotion of Wah Nam International or Wah Nam Australia;
- property acquired or proposed to be acquired by Wah Nam International or Wah Nam Australia in connection with its formation or promotion, or in connection with the offer of Wah Nam International Shares under the Offer; or
- the Offer.

Other than as disclosed in this Bidder's Statement, no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any Wah Nam Australia or Wah Nam International director:

- to induce a person to become, or qualify as a Wah Nam International or Wah Nam Australia director; or
- for services provided by a Wah Nam International or Wah Nam Australia director in connection with the formation or promotion of Wah Nam International, Wah Nam Australia or the Offer.

## 12.7 Interests and fees of experts, advisers and other named persons

Other than as set out below or elsewhere in this Bidder's Statement no:

- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity, in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Wah Nam International or Wah Nam Australia; or
- Australian Financial Service licensee involved in the Offer,

holds at the time of lodgment of the Bidder's Statement with ASIC, or has held in the 2 years before lodgment of the Bidder's Statement with ASIC, an interest in:

- the formation or promotion of Wah Nam International or Wah Nam Australia;
- property acquired or proposed to be acquired by Wah Nam International or Wah Nam Australia, in connection with its formation or promotion, or in connection with the Offer; or
- the Offer, and

no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of Wah Nam International, Wah Nam Australia or the Offer:

- (i) Baillieu has acted as Australian corporate adviser to Wah Nam Australia and Wah Nam International in relation to the Offer. Wah Nam International has agreed to pay, up to A\$250,000 for these services, as at the date of the Bidder's Statement and will pay a success fee of 0.5% of the value of the Brockman Shares acquired pursuant to the Offer up to a cap of A\$1 million. Further amounts may be paid to Baillieu in accordance with its agreed retainer;
- (ii) REORIENT has acted as Hong Kong corporate adviser to Wah Nam Australia and Wah Nam International in relation to the Offer. Wah Nam International has paid, or agreed to pay, approximately HK\$2 million for these services, as at the date of the Bidder's Statement. REORIENT has also agreed to underwrite the issue of the Placement Shares pursuant to the Underwriting Agreement and will be paid commission of 2.5% of the aggregate price of the Placement Shares for these services;
- (iii) Clayton Utz has acted as Australian legal adviser to Wah Nam Australia and Wah Nam International in relation to the Offer. Wah Nam International has paid, or agreed to pay, approximately A\$500,000 for these services, as at the date of the Bidder's Statement. Further amounts may be paid to Clayton Utz in accordance with its normal time based charge-out rates;
- (iv) Michael Li & Co has acted as Hong Kong legal adviser to Wah Nam Australia and Wah Nam International in relation to the Offer. Wah Nam International has paid, or agreed to pay, approximately HK\$300,000 for these services, as at the date of the Bidder's Statement. Further amounts may be paid to Michael Li & Co in accordance with its normal time based charge-out rates;
- (v) BDO Corporate Finance has prepared the Investigating Accountant's Report included in Section 11 of this Bidder's Statement. Wah Nam International has paid, or agreed to pay, approximately A\$16,000 for these services, as at the date of the Bidder's Statement;
- (vi) PricewaterhouseCoopers Australia has provided certain taxation services to Wah Nam International in relation to the disclosures in the Bidder's Statement on the Australian income tax implications arising for Australian resident investors who accept the Offer. Wah Nam International has paid, or agreed to pay, approximately A\$7,500 for these services, as at the date of the Bidder's Statement. Further amounts may be paid to PricewaterhouseCoopers Australia in accordance with its normal time based charge-out rates; and
- (vii) PricewaterhouseCoopers Hong Kong is Wah Nam International's auditor. Fees billed by PricewaterhouseCoopers Hong Kong to Wah Nam International for the FY2010 was HK\$1,700,000.

## 12.8 Expenses of the Offer

The total costs of the Offer to be borne by Wah Nam International are estimated at approximately A\$2,600,000. This includes legal, accounting, independent experts, share registrar, ASIC and other professional fees.

## 12.9 ASIC modifications

Wah Nam Australia has been granted a modification to the Corporations Act, the effect of which is to enable it to include as a condition to the Offer that:

- the requisite majority of Wah Nam International Independent Shareholders approve the acquisition by Wah Nam Australia of all of the Brockman Shares not already owned by Wah Nam Australia on the terms set out in Section 13 and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares; and
- the requisite majority of Wah Nam International Shareholders approve the Subscription Agreement and the transaction contemplated thereunder including:
  - the allotment and issue of the Subscription Shares; and
  - the issue of the Convertible Bond and the allotment and issue of the Wah Nam International Shares which may be issued upon the exercise of the conversion rights attached to the Convertible Bond; and
- the requisite majority of Wah Nam International Shareholders approve the Underwriting Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placement Shares.

## 12.10 HKEx Listing Rule waivers

Under HKEx Listing Rules 18.09(2) and (3), Wah Nam International is required to produce a competent person's report and a valuation report on the mineral assets of Brockman, to be included in its circular to shareholders for the purposes of seeking shareholders' approval for the Offer.

Pursuant to HKEx Listing Rule 18.12, Wah Nam International has obtained a waiver from the HKEx to allow it to republish in the aforesaid circular, the competent person's report dated 31 July 2011 and the valuation report dated 9 August 2011 on the mineral assets of Brockman that were previously published by Wah Nam International in its supplemental circular, dated 17 October 2011 (in lieu of producing a new competent person's report and a new valuation report).

Under HKEx Listing Rule 14.67(6)(a)(i), Wah Nam International is required to produce an accountants' report in accordance with Chapter 4 of the HKEx Listing Rules on Brockman which will be included in its circular to Wah Nam International Shareholders for the purposes of seeking shareholders' approval for the Offer.

Under HKEx Listing Rule 4.03, an accountants' report must be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance in Hong Kong for appointment as auditors of a company and who are independent both of Wah Nam International and of Brockman to the same extent as that required of an auditor under the Companies Ordinance in Hong Kong and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants. Wah Nam International has obtained a waiver from the HKEx from strict compliance with HKEx Listing Rule 4.03 to allow KPMG Australia to act as the reporting accountants to prepare the aforesaid accountants' report on Brockman.

## 12.11 Date for determining holders of Brockman Shares

For the purposes of section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 4:00pm (WST) on 13 December 2011.

## 12.12 Consents

Clayton Utz has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to be named as Australian legal adviser to Wah Nam Australia and Wah Nam International in the form and context in which it is named.

Michael Li & Co has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to be named as Hong Kong legal adviser to Wah Nam Australia and Wah Nam International in the form and context in which it is named.

Baillieu has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to be named as Australian corporate adviser to Wah Nam Australia and Wah Nam International in the form and context in which it is named.

REORIENT has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to be named as Hong Kong corporate adviser to Wah Nam Australia and Wah Nam International in the form and context in which it is named.

BDO Corporate Finance has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to:

- the inclusion of its Investigating Accountant's Report in Section 11 in the form and context in which it is included; and
- be named as Investigating Accountant to Wah Nam Australia and Wah Nam International in the form and context in which it is named.

BDO Corporate Finance has not otherwise authorised or caused the issue of this Bidder's Statement.

PricewaterhouseCoopers Australia has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to the statement in paragraph 12.7(vi) in the form and context in which it appears.

Tricor has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to be named as Hong Kong Registrar to Wah Nam International in the form and context in which it is named.

Computershare Investor Services Pty Limited has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent to be named as Australian Registrar to Wah Nam International in the form and context in which it is named.

PricewaterhouseCoopers Hong Kong has given its consent to the references in this Bidder's Statement to its name in paragraph in 12.7(vii) and the Corporate Directory and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn its written consent.

Christopher Arndt has given and has not, before lodgment of this Bidder's Statement with ASIC, withdrawn his consent to the inclusion of Table 1, Table 2 and Table 3 in Section 3.3 in the form and context in which they appear.

Each person named in this Section 12.12 as having given its consent to the inclusion of a statement or being named in this Bidder's Statement:

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based, other than a statement included in this Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement which has been included in this Bidder's Statement with the consent of that party.

## 12.13 Status of Conditions

At the date of this Bidder's Statement, Wah Nam Australia is not aware of any events which would result in a breach or inability to satisfy the Conditions.

The Wah Nam International Shareholders' meeting referred to in the Condition set out at paragraph 13.9(b), which will consider approval of the Offer, is expected to be held on 6 January 2012.

## 12.14 Litigation of Wah Nam International

Wah Nam Australia is not aware of any litigation, pending or threatened, or other legal proceedings in relation to Wah Nam International or Wah Nam Australia.

## 12.15 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of the Bidder's Statement.

## 12.16 No other material information

Except as set out in this Bidder's Statement, there is no other information that is material to the making of the decision by a holder of Brockman Shares whether or not to accept the Offer, which is known to Wah Nam Australia and has not previously been disclosed to Brockman Shareholders.

# 13. The Offer

## 13.1 General Terms

### (a) The Offer

Wah Nam Australia offers to acquire all of your Brockman Shares on the terms and conditions of this Offer.

### (b) Shares subject to the Offer

This Offer relates to all Brockman Shares:

- (i) which exist on the Register Date; and
- (ii) that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, Convertible Securities.

### (c) The consideration

The consideration offered for each of your Brockman Shares is A\$1.50 cash and 18 Wah Nam International Shares. The Wah Nam International Shares received will rank equally in all respects with the existing Wah Nam International Shares.

## 13.2 Date of Offer

This Offer is dated 21 December 2011.

## 13.3 Offer Period

### (a) Offer Period

Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer, being 21 December 2011, and ending at 4:00pm (WST) on the later of:

- (i) 23 January 2012; and
- (ii) any date to which the Offer Period is extended in accordance with the Corporations Act, provided that Wah Nam Australia expressly reserves its rights under section 650C of the Corporations Act, to extend the period during which this Offer remains open or otherwise to vary this Offer, in accordance with the Corporations Act.

### (b) Automatic extension

If, within the last 7 days of the Offer Period the Offer is varied to improve the consideration offered, the Offer Period will be automatically extended so that it ends 14 days after the variation.

## 13.4 Who may accept

### (a) Who may accept

During the Offer Period:

- (i) any person who is able to give good title to a parcel of your Brockman Shares may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical with the Offer has been made to them;
- (ii) any person who holds one or more parcels of Brockman Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:

- A. each of those parcels; and
  - B. any parcel they hold in their own right; and
- (iii) any person who is issued Brockman Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, Convertible Securities.

#### **(b) Registered holders**

A person is taken to hold Brockman Shares if the person is registered as the holder of those Brockman Shares.

#### **(c) Trustees and nominees**

A person is taken to hold Brockman Shares on trust for, as nominee for, or on account of, another person if they:

- (i) are registered as the holder of particular Brockman Shares; and
- (ii) hold their interest in the Brockman Shares on trust for, as nominee for, or on account of, that other person.

#### **(d) Required notice**

In the case of a person who may accept under paragraph 13.4(c) as if a separate and distinct offer on the same terms and conditions as the Offer, has been made to that person for a distinct parcel of Brockman Shares within a holding, an acceptance of that offer is ineffective unless:

- (i) the person gives Wah Nam Australia a notice stating that the Brockman Shares consist of a separate and distinct parcel; and
- (ii) the acceptance specifies the number of Brockman Shares in the parcel.

#### **(e) How to provide notice**

A notice under paragraph 13.4(d) must be made:

- (i) if it relates to Brockman Shares in a CHESS Holding, in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; or
- (ii) otherwise, in writing.

#### **(f) Two or more parcels**

A person may, at the one time, accept for 2 or more parcels under this Section 13.4 as if there had been a single offer for a separate parcel consisting of those distinct parcels.

## **13.5 How to accept this Offer**

#### **(a) All of your Brockman Shares**

The Offer is for all of your Brockman Shares. You may accept the Offer only in respect of all of your Brockman Shares.

You may accept the Offer at any time during the Offer Period.

#### **(b) Acceptance procedure for Brockman Shareholders**

To validly accept the Offer:

- (i) for Brockman Shares held in your name on Brockman's **issuer sponsored subregister** (as indicated on the Acceptance Form), you must:
  - A. complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form;
  - B. ensure that you have made a valid and distinct selection for either Australian registered Wah Nam International Shares or Hong Kong registered Wah Nam International Shares, in accordance with the instructions on the Acceptance Form. Where no selection is made, or where the selection made is made in such a manner that it cannot be validly distinguished as constituting a selection for either the Australian registered Wah Nam International Share alternative or the Hong Kong registered Wah Nam International Share alternative, then subject to paragraph 13.5(f), the acceptance of the Offer will be deemed by Wah Nam Australia to have been made for the Australian registered Wah Nam International Share alternative; and
  - C. ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is received before the end of the Offer Period, to the address shown in paragraph 13.5(c); or

- (ii) for Brockman Shares held in your name in a **CHES Holding** (as indicated on the Acceptance Form):
- A. if you are not a Participant, you should advise your Controlling Participant whether you wish to receive Australian or Hong Kong registered Wah Nam International Shares and instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
  - B. if you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Alternatively, you may:

- C. complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form;
- D. ensure that you have made a valid and distinct selection for either Australian registered Wah Nam International Shares or Hong Kong registered Wah Nam International Shares in accordance with the instructions on the Acceptance Form. Where no selection is made, or where the selection made is made in such a manner that it cannot be validly distinguished as constituting a selection for either the Australian registered Wah Nam International Share alternative or the Hong Kong registered Wah Nam International Share alternative, then subject to paragraph 13.5(f), the acceptance of the Offer will be deemed by Wah Nam Australia to have been made for the Australian registered Wah Nam International Share alternative; and
- E. ensure that it (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is received in sufficient time for it to be despatched to your Controlling Participant before the end of the Offer Period, to the address shown on the Acceptance Form.

### **(c) Mailing and delivery details**

The mailing and delivery addresses for completed Acceptance Forms and any associated documents are as follows:

Wah Nam International Australia Pty Ltd  
C/O Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne, Victoria, 3001 Australia

A reply paid envelope has been enclosed for Brockman Shareholders with Australian addresses to return their completed Acceptance Form. Overseas Brockman Shareholders should return their Acceptance Form by airmail.

### **(d) Acceptance Form and instructions on it**

The Acceptance Form which accompanies the Offer forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer in respect of your Brockman Shares.

### **(e) Power of attorney, deceased estate**

When accepting the Offer, you must also forward for inspection:

- (i) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (ii) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Brockman Shareholder, the relevant grant of probate or letters of administration.

### **(f) When acceptance is complete**

Acceptance of the Offer is complete once either:

- (i) the completed Acceptance Form (together with all other documents required by the instructions on it) has been received at the address in paragraph 13.5(c) above and all requirements of this Section 13.5 have been met, provided that:
  - A. Wah Nam Australia may, in its sole discretion, waive any or all of those requirements at any time; and
  - B. where such requirements have been complied with in respect of some but not all of your Brockman Shares, Wah Nam Australia may, in its sole discretion, deem your acceptance of the Offer complete in respect of all or none of your Brockman Shares, and Wah Nam Australia is not required to communicate with you prior to making its determination as to the above matters and the determination of Wah Nam Australia will be final and binding on all of the parties; or
- (ii) in relation to a CHES Holding, acceptance has been carried out in accordance with Rule 14.14 of the ASX Settlement Operating Rules.



## 13.6 Ineligible Overseas Shareholders and Unmarketable Parcel Holders

### (a) Scrip consideration

If you are an Ineligible Overseas Shareholder or a Unmarketable Parcel Holder, you will not be entitled to receive Wah Nam International Shares as the Offer Consideration for your Brockman Shares as a result of accepting the Offer.

### (b) Nominee procedure

In respect of those Wah Nam International Shares which you would have become entitled to receive under Section 13.1, but for paragraph 13.6(a), Wah Nam Australia will:

- (i) arrange for the issue to the Nominee of the number of Wah Nam International Shares which you and all other Ineligible Overseas Shareholders and Unmarketable Parcel Holders would have been entitled to under Section 13.1, but for paragraph 13.6(a);
- (ii) cause the Nominee to sell on-market, or cause the Nominee to procure the on-market sale of, all of the Wah Nam International Shares issued to it under paragraph 13.6(b)(i) on the ASX or the HKEx (at the sole discretion of the Nominee) as soon as practicable and in any event not more than 20 Business Days after the close of the Offer;
- (iii) after the sale of the Wah Nam International Shares pursuant to paragraph 13.6(b)(ii), cause the Nominee to pay, or procure the payment of, the amount which is received by the Nominee upon the sale of all Wah Nam International Shares under paragraph 13.6(b)(ii) (converted to Australian dollars, if required, at the then applicable exchange rate) less brokerage and other sale expenses (**Proceeds of Sale**) to Wah Nam Australia; and
- (iv) pay, or procure the payment of the proportion of the Proceeds of Sale which you are entitled to receive, ascertained in accordance with the following formula:

$$\text{Proceeds of Sale} \times (A/B)$$

where:

**A** is the number of Wah Nam International Shares which Wah Nam Australia would otherwise be required to cause Wah Nam International to issue to you as a result of your acceptance of the Offer under Section 13.1; and

**B** is the total number of Wah Nam International Shares issued to the Nominee under paragraph 13.6(b)(i).

- (v) The amount payable to you under paragraph 13.6(b)(iv) will be paid by cheque in one lump sum in Australian currency. The cheque will be sent to you at your risk by pre-paid airmail to your address as shown on the copy of the register of Brockman Shareholders held by Wah Nam Australia. Under no circumstances will interest be paid on the proceeds of this sale, regardless of any delay in remitting these proceeds to you.
- (vi) Notwithstanding anything else contained in this document, Wah Nam Australia is not under any obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not an Ineligible Overseas Shareholder or an Unmarketable Parcel Holder and is therefore eligible to receive Wah Nam International Shares under the Offer.

## 13.7 The effect of acceptance

### (a) Your agreement

By signing and returning the Acceptance Form or otherwise accepting the Offer in accordance with Section 13.5, you will be deemed to have:

- (i) irrevocably accepted this Offer in respect of all the Brockman Shares registered in your name to which this Offer relates as specified in the Acceptance Form;
- (ii) agreed to transfer your Brockman Shares to Wah Nam Australia, subject to this Offer being declared free from Conditions or the Conditions being fulfilled or waived;
- (iii) authorised Wah Nam Australia and each of its officers and agents to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
  - A. to make the Acceptance Form an effective acceptance of this Offer; and/or
  - B. to enable registration of the transfer to Wah Nam Australia of your Brockman Shares;
- (iv) if any of your Brockman Shares are in a CHESS Holding, authorised Wah Nam Australia and each of its officers and agents to:
  - A. instruct your Controlling Participant to give effect to your acceptance of the Offer for those Brockman Shares under Rule 14.14 of the ASX Settlement Operating Rules; and

- B. give to your Controlling Participant on your behalf any other instructions in relation to those Brockman Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer;
- (v) irrevocably authorised and directed Brockman to pay to Wah Nam Australia or to account to Wah Nam Australia for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Offer in respect of your Brockman Shares which Wah Nam Australia acquires pursuant to this Offer (subject to Wah Nam Australia accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (vi) represented and warranted to Wah Nam Australia, as a fundamental condition of the contract resulting from your acceptance of this Offer, that at the time of your acceptance of this Offer and at the time of transfer to Wah Nam Australia:
  - A. all of your Brockman Shares are fully paid up;
  - B. Wah Nam Australia will acquire good title to and beneficial ownership of all of your Brockman Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable), adverse interests of any nature and restrictions on transfer of any kind; and
  - C. you have full power, capacity and authority to accept the Offer and to sell your Brockman Shares (including the legal and beneficial ownership in those Brockman Shares);
- (vii) represented and warranted to, and agreed with Wah Nam Australia, that your Brockman Shares in respect of which you have accepted this Offer will be purchased by Wah Nam Australia with all Rights and that you will execute all such instruments as Wah Nam Australia may require for the purpose of vesting in it any such Rights;
- (viii) represented and warranted to Wah Nam Australia that, unless you have notified Wah Nam Australia in accordance with paragraph 13.4(d), your Brockman Shares do not consist of separate parcels of Brockman Shares;
- (ix) agreed to indemnify Wah Nam Australia and each of its agents fully in respect of any claim, demand, action, suit or proceeding made or brought against any of them and any loss, cost, expense, damage or liability whatsoever suffered or incurred by any of them as a result of them not receiving your Holder Identification Number or Security Holder Reference Number or in consequence of the transfer of your Brockman Shares being registered by Brockman without production of your Holder Identification Number or Security Holder Reference Number;
- (x) if and when the Offer or any contract resulting from your acceptance of the Offer becomes unconditional (even though Wah Nam Australia has not yet provided the Offer Consideration due to you) and with effect from such date until registration of a transfer of your Brockman Shares to Wah Nam Australia, irrevocably appointed Wah Nam Australia and each director of, and any nominee of, Wah Nam Australia severally as your agent and attorney to:
  - A. exercise all your powers and rights in relation to your Brockman Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in respect of your Brockman Shares at all general and class meetings of Brockman or appoint a proxy or proxies to attend and vote in the manner directed by Wah Nam Australia on your behalf in respect of your Brockman Shares at any such meeting and to request Brockman to register, in the name of Wah Nam Australia or its nominee, your Brockman Shares, as appropriate, with full power of substitution;
  - B. execute all forms, notices, documents (including a document appointing a director of Wah Nam Australia as a proxy for any of your Brockman Shares) and resolutions relating to your Brockman Shares and generally to exercise all powers and rights which you have as the registered holder of your Brockman Shares; and
  - C. direct Brockman to pay to Wah Nam Australia or to account to Wah Nam Australia for all Rights attaching to your Brockman Shares, subject however to any such Rights received by Wah Nam Australia being accounted for by Wah Nam Australia to you, in the event that the Offer is withdrawn or avoided;
- (xi) agreed that the appointment in paragraph 13.7(a)(x) is being given for valuable consideration to secure the interest acquired in your Brockman Shares and is irrevocable;
- (xii) agreed that in exercising the powers conferred by the power of attorney in paragraph 13.7(a)(x), Wah Nam Australia or its nominee is entitled to act in the interest of Wah Nam Australia as the beneficial owner and intended registered holder of your Brockman Shares in respect of which you have accepted this Offer;
- (xiii) agreed to do all such acts, matters and things that Wah Nam Australia may require to give effect to the matters the subject of this Section 13.7 (including the execution of a written form of proxy to the same effect as Section 13.7 which complies in all respects with the requirements of the constitution of Brockman) if requested by Wah Nam Australia;
- (xiv) if and when the Offer or any contract resulting from your acceptance of the Offer becomes unconditional (even though Wah Nam Australia has not yet provided the Offer Consideration due to you), agreed not to attend or vote in person at any general meeting of Brockman or to exercise or purport to exercise any of the powers conferred on Wah Nam Australia or its nominee in paragraph 13.7(a)(x);

- (xv) irrevocably authorised Wah Nam Australia to notify Brockman on your behalf that your address for the purpose of serving notices upon you in respect of your Brockman Shares is the address as specified by Wah Nam Australia in the notification and that all such notices are to be marked care of Wah Nam Australia and to have directed Brockman to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Brockman Shares to Wah Nam Australia at that address; and
- (xvi) if and when this Offer or any contract resulting from your acceptance of this Offer becomes unconditional (even though Wah Nam Australia has not yet provided the Offer Consideration due to you), and your Brockman Shares are in a CHESS Holding, authorised Wah Nam Australia to cause a message to be transmitted to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer your Brockman Shares to Wah Nam Australia's Takeover Transferee Holding.

### **(b) Power of attorney**

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power.

### **(c) Validation of otherwise ineffective acceptances**

Except in relation to Brockman Shares in a CHESS Holding, Wah Nam Australia may at any time in its absolute discretion:

- (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with; and
- (ii) where you have satisfied the requirements for acceptance in respect of only some of your Brockman Shares, treat the acceptance as a valid acceptance in respect of all of your Brockman Shares.

If Wah Nam Australia does treat such an Acceptance Form as valid, subject to Section 13.8, Wah Nam Australia will not be obliged to provide the Offer Consideration to you until Wah Nam Australia receives all of those documents and all of the requirements for acceptance referred to in Section 13.5 and in the Acceptance Form have been met.

## **13.8 Payment of Offer Consideration**

### **(a) Payment of the cash consideration**

The cash consideration payable by Wah Nam Australia to you in respect of your Brockman Shares will be paid to you by cheque. Cheques will be sent to the address on the copy of the register of Brockman Shareholders held and maintained by Wah Nam Australia, by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

The cash consideration payable by Wah Nam Australia in respect of Brockman Shares which are subject to the Brockman Employee Loan Scheme will be paid directly to Brockman. If you are a Brockman Employee Loan Holder, please refer to the letter that you will receive from the Brockman Company Secretary about accepting the Offer.

### **(b) Allotment of Wah Nam International Shares**

The obligation of Wah Nam Australia to cause Wah Nam International to allot and issue any Wah Nam International Shares to which you are entitled under the Offer will be satisfied by Wah Nam International:

- (i) where you have chosen the Australian Share Register Alternative:
  - A. entering your name on the Australian Share Register of Wah Nam International Shareholders; and
  - B. despatching or procuring the despatch to you of an uncertificated holding statement or other notice confirming issue in your name by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the copy of the register of Brockman Shareholders held and maintained by Wah Nam Australia. If your Brockman Shares are held in a joint name, an uncertificated holding statement or notice will be issued in the name of the joint holders and forwarded to the address that appears first in the copy of the register of Brockman Shareholders, maintained by Wah Nam Australia; or
- (ii) where you have chosen the Hong Kong Share Register Alternative:
  - A. entering your name on the Hong Kong Share Register of Wah Nam International Shareholders; and
  - B. despatching or procuring the despatch to you of a share certificate confirming issue in your name by registered airmail, to your address as shown on the copy of the register of Brockman Shareholders held and maintained by Wah Nam Australia. If your Brockman Shares are held in a joint name, a share certificate will be issued in the name of the joint holders and forwarded to the address that appears first in the copy of the register of Brockman Shareholders, maintained by Wah Nam Australia.

### **(c) When you will receive your Offer Consideration**

Subject to this Section 13.8 and the Corporations Act, if you accept this Offer and the Conditions are satisfied or waived, Wah Nam Australia will provide to you the Offer Consideration that you are entitled to under the terms of this Offer within 14 days after the date you validly accepted this Offer or, if at the time of your acceptance this Offer is subject to Conditions, within 14 days after the contract resulting from your acceptance of this Offer becomes, or is declared, unconditional.

### **(d) No interest**

Under no circumstances will interest be paid on the consideration payable under the Offer, regardless of any delay in paying the consideration or any extension of the Offer.

### **(e) Where additional documents are required**

Where the Acceptance Form requires additional documents to be given to Wah Nam Australia with your acceptance of the Offer to enable Wah Nam Australia to become the holder of your Brockman Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Wah Nam Australia will provide the Offer Consideration in accordance with paragraph 13.8(c) above;
- (ii) if the documents are given after your acceptance and before the end of the Offer Period and the Offer is subject to the Conditions at the time that Wah Nam Australia is given the documents, Wah Nam Australia will provide the Offer Consideration within 14 days after the contract resulting from your acceptance of this Offer becomes, or is declared, unconditional;
- (iii) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that Wah Nam Australia is given the documents, Wah Nam Australia will provide the Offer Consideration within 14 days after Wah Nam Australia is given the documents; or
- (iv) if the documents are given after the end of the Offer Period, and the Offer is unconditional at that time, Wah Nam Australia will provide the Offer Consideration within 14 days after the documents are given; but if at the time Wah Nam Australia is given the documents, the Offer is still subject to the Conditions, Wah Nam Australia will provide the Offer Consideration within 14 days after the Offer becomes unconditional.

If you do not provide Wah Nam Australia with the required additional documents within one month after the end of the Offer Period, Wah Nam Australia may, in its sole discretion, rescind the contract resulting from your acceptance of this Offer.

### **(f) Where Wah Nam Australia is entitled to Rights**

If you accept this Offer and Wah Nam Australia becomes entitled to any Rights in respect of your Brockman Shares, you must give Wah Nam Australia all documents necessary to vest title to those Rights in Wah Nam Australia. If you do not give those documents to Wah Nam Australia, or if you have received the benefit of those Rights, Wah Nam Australia will be entitled to deduct from the Offer Consideration that you are entitled to in accordance with the terms of this Offer the amount (or an amount equal to the value, as reasonably assessed by Wah Nam Australia) of those Rights.

### **(g) Clearance for offshore residents**

If, at the time of acceptance of this Offer:

- (i) any authority or clearance of a public authority is required for you to receive the Offer Consideration under this Offer; or
- (ii) you are a:
  - A. resident in, or a resident of, a place to which; or
  - B. person to whom,any law of Australia that would make it unlawful for Wah Nam Australia to provide the Offer Consideration that you are entitled to under the terms of this Offer, applies,

then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the Offer Consideration unless and until all requisite authorities or clearances have been obtained.

#### **(h) Payments to public authorities**

If any amount (the Withholding Amount) is required, under Australian law, to be withheld from the Offer Consideration that you are entitled to under this Offer and provided to a public authority, the provision of the Withholding Amount to the relevant public authority by Wah Nam Australia will constitute full discharge of Wah Nam Australia's obligation to provide the Offer Consideration to you to the extent of that Withholding Amount.

### **13.9 Conditions of the Offer**

Subject to Section 13.12, this Offer and any contract that results from acceptance of this Offer is subject to the following Conditions:

#### **(a) Foreign investment approval**

The Treasurer of the Commonwealth of Australia consents, on an unconditional basis, under the FATA to the proposed acquisition by Wah Nam Australia of all of the Brockman Shares not already held by Wah Nam Australia. The Treasurer is taken to have so consented:

- (i) if Wah Nam Australia and any other relevant foreign person receives written advice from or on behalf of the Treasurer to the effect that the acquisition of the Brockman Shares is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the FATA; or
- (ii) if notice of the proposed acquisition of the Brockman Shares is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the FATA in relation to the proposed acquisition because of a lapse of time.

#### **(b) Wah Nam International Shareholder approval**

- (i) The requisite majority of Wah Nam International Independent Shareholders approve the acquisition by Wah Nam Australia of all of the Brockman Shares not already owned by Wah Nam Australia on the terms as set out in this Section 13 and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares;
- (ii) The requisite majority of Wah Nam International Shareholders approve the Subscription Agreement and the transactions contemplated thereunder, including:
  - A. the allotment and issue of the Subscription Shares;
  - B. the issue of the Convertible Bond and the allotment and issue of the Wah Nam International Shares which may be issued upon the exercise of the conversion rights attached to the Convertible Bond; and
- (iii) The requisite majority of Wah Nam International Shareholders approve the Underwriting Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placement Shares, at general meeting by poll.

#### **(c) Subscription**

Completion of the subscription of the Subscription Shares and Convertible Bond to the Subscriber pursuant to the Subscription Agreement.

#### **(d) Placement**

Completion of the placement of the Placement Shares pursuant to the Underwriting Agreement.

#### **(e) 80% minimum acceptance**

At the end of the Offer Period, Wah Nam Australia has a Relevant Interest in at least 80% of all Brockman Shares.

#### **(f) Prescribed Occurrences**

Between the Announcement Date and the end of the Offer Period, (each inclusive) no Prescribed Occurrence occurs.

#### **(g) No regulatory actions**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and

(iii) no application is made to any Government Agency (other than by Wah Nam International or any of its Associates), in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Offer or the acquisition of Brockman Shares under the Offer or the completion of any transaction contemplated by the Bidder's Statement, or seeks to require the divestiture by Wah Nam Australia of any Brockman Shares, or the divestiture of any material assets of Brockman or the Wah Nam International Group.

#### **(h) Exchange rate variation**

The A\$/US\$ exchange rate as quoted on Bloomberg does not exceed US\$1.10 for 50% or more of the time during each of the 5 Trading Days after the last of the Conditions in paragraphs 13.9(a), 13.9(b), 13.9(c), 13.9(d) and 13.9(e) is satisfied.

### **13.10 The nature of the Conditions**

Each of the Conditions set out in each paragraph of Section 13.9 constitutes and will be construed as a separate, several and distinct condition.

Each of the Conditions set out in each paragraph of Section 13.9 (other than the Conditions set out in paragraphs 13.9(a) and 13.9(b) which are conditions precedent) is a condition subsequent that does not prevent, until the end of the Offer Period (or in the case of the Condition set out in clause 13.9(f) until 3 Business Days after the end of the Offer Period) a contract to sell your Brockman Shares forming as a result of your acceptance of the Offer, but any breach or non-fulfilment will entitle, Wah Nam Australia to rescind the contract that results from your acceptance of the Offer as if that contract had not been formed.

Wah Nam Australia alone will be entitled to the benefit of the Conditions and any breach or non-fulfilment of the Conditions may be relied on only by Wah Nam Australia. Wah Nam Australia may at any time, and from time to time, waive (generally, or in respect of a particular event) the breach or non-fulfilment of any such condition or any part of such Condition.

### **13.11 Effect of breach or non-fulfilment**

Subject to Section 13.10 above, the breach or non-fulfilment of any of the Conditions does not, until the end of the Offer Period, prevent a contract arising to acquire your Brockman Shares resulting from your acceptance of the Offer, but if:

- (i) Wah Nam Australia has not declared the Offer to be free from the Conditions before the date applicable under section 650F(1) of the Corporations Act; and
- (ii) the Conditions have not been fulfilled at the end of the Offer Period (or in the case of the Condition set out in clause 13.9(f) until 3 Business Days after the end of the Offer Period),

all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts, are void. If this occurs, Wah Nam Australia will, at its election, return by post the Acceptance Form (if any) together with all documents forwarded by you to the address shown on the Acceptance Form or destroy those documents, and notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

### **13.12 Freeing the Offer from the Conditions**

Subject to section 650F of the Corporations Act, the HKEx Listing Rules and the paragraph set out below, Wah Nam Australia may, at any time and at its sole discretion, declare the Offer free from all Conditions generally and in relation to any specific occurrence or any specific entity by giving notice in writing to Brockman not less than 7 days before the end of the Offer Period (or if the Condition is as set out in clause 13.9(f) not later than 3 Business Days after the end of the Offer Period).

If, at the end of the Offer Period (or if the Condition is the Condition set out in clause 13.9(f), 3 Business Days after the end of the Offer Period), the Conditions have not been fulfilled and Wah Nam Australia has not declared the Offer free from the Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.



### 13.13 Benefit of the Conditions

Subject to the provisions of the Corporations Act only, Wah Nam Australia shall be entitled to the benefit of the Conditions in Section 13.9 and any non-fulfilment of such Conditions may be relied upon only by Wah Nam Australia.

### 13.14 Notice on the status of the Conditions

The date for giving the notice on the status of the Conditions required by section 630(3) of the Corporations Act is 13 January 2012, subject to variation in accordance with section 630(2) of the Corporations Act if the period during which the Offer remains open for acceptance is extended.

### 13.15 Statutory Condition

The Offer and any contract that results from acceptance of it is subject to a Statutory Condition that:

- (i) an application is made to the HKEx and the ASX for admission to quotation of the Consideration Shares within 7 days after the start of the Bid Period; and
- (ii) permission for admission to quotation of the Consideration Shares on the HKEx and the ASX is granted no later than 7 days after the end of the Bid Period.

The Offer will not be freed from this Statutory Condition.

If any part of the Statutory Condition set out above is not fulfilled, any contracts that results from your acceptances of this Offer will be automatically void.

### 13.16 Benefit of improved Offer Consideration

If Wah Nam Australia improves the Offer Consideration, the Corporations Act contains conditions to ensure that any Brockman Shareholder who has already accepted the Offer receives the benefit of the improved Offer Consideration.

### 13.17 Withdrawal of Offer

Wah Nam Australia may withdraw the Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

Subject to any conditions imposed by ASIC on its consent, where Wah Nam Australia withdraws this Offer:

- (i) this Offer, if not previously accepted, automatically becomes incapable of acceptance; and
- (ii) any contract resulting from an acceptance of this Offer before the withdrawal is automatically void.

### 13.18 Variation

Wah Nam Australia may vary this Offer in accordance with the Corporations Act.

Should the terms of the Offer be revised materially, Wah Nam International will issue further announcements to the ASX and the HKEx and will re-comply with the then applicable requirements of the HKEx Listing Rules (including seeking Wah Nam International Shareholder approval, if required).

### 13.19 Brokerage

Provided that your Brockman Shares are registered in your name and you deliver them directly to Wah Nam Australia, you will not incur any brokerage in connection with your acceptance of this Offer. If you hold your Brockman Shares through a bank, Broker or other nominee, you should ask your bank, Broker or other nominee whether it will charge any transaction fee or service charges in connection with your acceptance of this Offer.



## 13.20 Notice and return of documents

### (a) Communication given by Wah Nam Australia

Subject to the Corporations Act, a notice or other communication given by Wah Nam Australia to you in connection with the Offer will be deemed to be duly given if it is in writing and signed or purports to be signed on behalf of Wah Nam Australia by any director of Wah Nam Australia and:

- (i) is delivered at your address as recorded in the register of Brockman Shareholders or the address shown on the Acceptance Form; or
- (ii) is sent by prepaid ordinary post, or in the case of any address outside Australia, by prepaid airmail, to you at either of those addresses.

### (b) Return of Acceptance Form

If:

- (i) this Offer is withdrawn after your Acceptance Form has been sent to Wah Nam Australia, but before it has been received;
- (ii) if the Offer does not become unconditional or any contract arising from the Offer is rescinded by Wah Nam Australia on the ground of a breach of a condition of that contract; or
- (iii) for any other reason Wah Nam Australia does not acquire the Brockman Shares to which your Acceptance Form relates,

Wah Nam Australia will either despatch at your risk your Acceptance Form together with all other documents forwarded by you to your address as shown on the Acceptance Form or such other address as you may notify in writing to Wah Nam Australia by, where such address is inside Australia, prepaid ordinary post, or where such address is outside Australia, prepaid airmail or destroy those documents and notify the ASX of this.

### (c) Notice given by you

A notice to be given to Wah Nam Australia by you in connection with the Offer will be deemed to be duly given to Wah Nam Australia if it is in writing and is delivered to them or sent to them by post to Wah Nam Australia (or other means provided for in this Bidder's Statement) to the following address:

Wah Nam International Australia Pty Ltd  
C/O Computershare Investor Services Pty Limited  
Reserve Bank Building  
Level 2, 45 St George's Terrace  
Perth, Western Australia, 6000 Australia

## 13.21 Governing Law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.

## 14. Definitions and Interpretation

In this Bidder's Statement (including its Annexure), unless the context otherwise requires:

<b>Acceptance Form</b>	the form of acceptance and transfer accompanying this Offer
<b>AFS</b>	available-for-sale
<b>Announcement Date</b>	the day the Offer was announced, being 12 December 2011
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associate</b>	has the meaning given in section 12 of the Corporations Act except in the definitions of Subscriber and Bondholder, it has the meaning given in section 6 of FATA and in the definition of Wah Nam International Independent Shareholder, it has the definition given in the HKEx Listing Rules
<b>ASX</b>	ASX Limited ACN 008 624 691, or the financial products market, the Australian Securities Exchange, as the situation requires
<b>ASX Listing Rules</b>	the official listing rules of the ASX, as amended from time to time
<b>ASX Operating Rules Procedures</b>	the procedures of the ASX Operating Rules
<b>ASX Settlement</b>	ASX Settlement Pty Ltd ACN 008 504 532
<b>ASX Settlement Operating Rules</b>	the operating rules of ASX Settlement
<b>Atlas</b>	Atlas Iron Limited ACN 110 396 168
<b>Australian Registrar</b>	Computershare Investor Services Pty Limited ACN 078 279 277
<b>Australian Share Register</b>	the share register in Australia, comprising the CHESSE Subregister and the Issuer Sponsored Subregister, which is maintained on behalf of Wah Nam International by the Australian Registrar
<b>Australian Share Register Alternative</b>	the acceptance alternative whereby Brockman Shareholders can choose to receive Wah Nam International Shares registered on the Australian Share Register
<b>Baillieu</b>	E.L.& C. Baillieu Stockbroking Ltd ACN 006 519 393
<b>Bauer</b>	Bauer Resources Australia Pty Limited ACN 126 290 186
<b>BDO Corporate Finance</b>	BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045
<b>Bid Implementation Agreement</b>	the bid implementation agreement dated 12 December 2011 between Wah Nam International and Brockman as summarised in Section 12.1

<b>Bid Period</b>	the period that starts when the Bidder's Statement was given to Brockman and ends at the end of the Offer Period
<b>Bidder's Statement</b>	this bidder's statement
<b>Bloomberg</b>	the Bloomberg professional service data product owned and distributed by Bloomberg Finance LP
<b>BMA</b>	Bermuda Monetary Authority
<b>Bondholder</b>	the holder of the Convertible Bond and its Associates
<b>Brockman</b>	Brockman Resources Limited ACN 009 372 150
<b>Brockman Employee Loan</b>	the amount of money lent to the eligible persons or the permitted nominees pursuant to the Brockman Employee Loan Scheme
<b>Brockman Employee Loan Holder</b>	the holder of a Brockman Employee Loan
<b>Brockman Employee Loan Scheme</b>	the Brockman employee loan scheme as set out in clause 14A to 14J in the Brockman Employee Share Option Plan
<b>Brockman Employee Share Option Plan</b>	Brockman employee share option plan as set out in the rules adopted by the Brockman board on 26 August 2008
<b>Brockman Group</b>	Brockman and its Subsidiaries
<b>Brockman Option</b>	the Brockman options set out in the table at paragraph 5.5(a)
<b>Brockman Optionholder</b>	the holder of a Brockman Option
<b>Brockman Share</b>	a fully paid ordinary share in Brockman, and all Rights attaching to that share
<b>Brockman Shareholder</b>	a holder of Brockman Shares
<b>Broker</b>	a person who is a share broker and a participant under the ASX Settlement Operating Rules
<b>Business Day</b>	has the meaning given in the HKEx Listing Rules or the ASX Listing Rules, as the case requires and in Section 12.1 has the meaning given in the Bid Implementation Agreement
<b>Bye-laws</b>	Wah Nam International's constitution as amended from time to time
<b>Cash Consideration</b>	the cash component of the Offer Consideration being A\$1.50 cash for every Brockman Share held
<b>CCASS</b>	the Central Clearing and Settlement System established and operated by the HKSCC
<b>CCASS Participant</b>	a person admitted to participate in CCASS
<b>CCASS Rules</b>	the general rules of CCASS and the CCASS operational procedures
<b>CEO</b>	Chief Executive Officer
<b>CGT</b>	Capital Gains Tax
<b>CHESS</b>	Clearing House Electronic Sub register System which provides for electronic share transfers of ASX listed securities in Australia

<b>CHES Holding</b>	has the meaning given to it in the ASX Settlement Operating Rules
<b>CID</b>	channel iron deposits
<b>Combined Group</b>	the Wah Nam International Group following the acquisition of all the Brockman Shares it does not currently own
<b>Companies Act</b>	the Companies Act 1981 of Bermuda
<b>Competing Proposal</b>	has the meaning given in the Bid Implementation Agreement
<b>Conditions</b>	the conditions set out in Section 13.9
<b>Confidentiality Agreement</b>	the confidentiality agreement dated 2 December 2011 between Wah Nam International and Brockman as summarised in Section 12.2
<b>Consideration Shares</b>	Wah Nam International Shares to be issued to Brockman Shareholders who accept the Offer as part of the Offer Consideration
<b>Controlling Participant</b>	a Broker or Participant who is designated as the controlling participant for shares in a CHES Holding in accordance with the ASX Settlement Operating Rules
<b>Convertible Bond</b>	as described in Section 12.3
<b>Convertible Securities</b>	any securities which confer on the holder the right to have Brockman Shares issued to them
<b>Corporations Act</b>	the Corporations Act 2001 (Cth)
<b>Damajianshan Mine</b>	the Damajianshan copper polymetallic mine in Luchun County, Yunnan Province, PRC
<b>Exclusivity Period</b>	the period commencing on the date of the Bid Implementation Agreement and ending on the earlier of:  (a) the date the Bid Implementation Agreement is terminated; and  (b) the end of the Offer Period
<b>Executive</b>	the executive director of the Corporate Finance Division of the SFC
<b>FATA</b>	Foreign Acquisitions and Takeovers Act 1975 (Cth)
<b>FerrAus</b>	FerrAus Limited ACN 097 422 529
<b>FIRB</b>	Foreign Investment Review Board
<b>FMG</b>	Fortescue Metals Group Ltd ACN 002 594 872
<b>FY2010</b>	the financial year ended 31 December 2010
<b>Government Agency</b>	any government or governmental, semi governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, office, instrumentality, tribunal, agency, delegate, organisation or entity, or any minister of the crown
<b>GST</b>	Goods and Services Tax
<b>HKEx</b>	the stock exchange of Hong Kong Limited
<b>HKEx Listing Rules</b>	the rules governing the listing of securities on the HKEx, as amended from time to time

<b>HKSCC</b>	The Hong Kong Securities Clearing Company Limited
<b>Holding Lock</b>	has the meaning given in Chapter 19 of the ASX Listing Rules
<b>Hong Kong Registrar</b>	Tricor Secretaries Limited
<b>Hong Kong Share Register</b>	the share register in Hong Kong, which is maintained on behalf of Wah Nam International by the Hong Kong Registrar
<b>Hong Kong Share Register Alternative</b>	the acceptance alternative whereby Brockman Shareholders can choose to receive Wah Nam International Shares registered on the Hong Kong Share Register
<b>ICAC</b>	Hong Kong Independent Commission Against Corruption
<b>Implied Value</b>	is the value of the Offer Consideration based on the closing price of a Wah Nam International Share on the HKEx on the trading day prior to the Announcement Date
<b>Independent Brockman Board</b>	has the meaning given in the Bid Implementation Agreement
<b>Independent Brockman Director</b>	has the meaning given in the Bid Implementation Agreement
<b>Independent Expert</b>	the independent expert engaged by Brockman to express an opinion on whether the Offer is fair and reasonable to Brockman Shareholders
<b>Indicated Mineral Resource</b>	has the meaning given in the JORC Code
<b>Ineligible Overseas Shareholder</b>	Brockman Shareholders whose address on the Brockman share register on the Register Date is in a jurisdiction other than Australia and its external territories, New Zealand, Singapore or Hong Kong provided that in relation to Hong Kong, Wah Nam Australia is able to rely on an exemption from the need to prepare and publish a prospectus under Hong Kong laws, which will be the case if there are no more than 50 Brockman Shareholders whose address, as shown in the Brockman share register, is in Hong Kong
<b>JORC Code</b>	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
<b>Luchun Xingtai</b>	Luchun Xingtai Mining Company Limited
<b>Marillana Project</b>	the project described in Section 5.3(a)
<b>Marketable Parcel</b>	has the meaning given in the ASX Operating Rules Procedures which, inter alia, includes a parcel of shares, the value of which is not less than A\$500
<b>Mineral Resources</b>	has the meaning given in the JORC Code
<b>MRRT</b>	Mineral Resource Rent Tax
<b>Nominee</b>	a nominee appointed by Wah Nam Australia and approved by ASIC for the purposes of s619(3) and (4) (as inserted by ASIC Class Order 00/343) of the Corporations Act and Section 13.6 of the Offer
<b>NWI</b>	North West Infrastructure Group
<b>Ocean Line</b>	Ocean Line Holdings Limited
<b>Offer</b>	the offer by Wah Nam Australia to acquire Brockman Shares on the terms set out in Section 13 of this Bidder's Statement

<b>Offer Consideration</b>	A\$1.50 cash and 18 Wah Nam International Shares for every Brockman Share held
<b>Offer Period</b>	the period commencing on 21 December 2011 and ending on 23 January 2012, or such later date to which the Offer has been extended
<b>Options Offer</b>	the offer being made to Brockman Optionholders as summarised in Section 12.5
<b>Ore Reserve</b>	has the meaning given in the JORC Code
<b>Participant</b>	a non-broker participant under the ASX Settlement Operating Rules
<b>Perryville Group</b>	Perryville Group Limited and its Subsidiaries
<b>Placement</b>	the issue of the Placement Shares pursuant to the Underwriting Agreement
<b>Placement Shares</b>	130,000,000 Wah Nam International Shares to be issued at HK\$0.60 per share pursuant to the Underwriting Agreement
<b>Placement Conditions Precedent</b>	the conditions precedent to completion of the Underwriting Agreement as set out in paragraph 9.1(e)
<b>PRC</b>	The People's Republic of China
<b>Pre-Announcement Price</b>	the closing price of Brockman Shares on the ASX on 9 December 2011, being the trading day prior to the Announcement Date
<b>Prescribed Occurrence</b>	<p>any of the following events:</p> <ul style="list-style-type: none"> <li>(a) Brockman converts all or any of its shares into a larger or smaller number of shares;</li> <li>(b) Brockman or a Subsidiary of Brockman resolves to reduce its capital in any way;</li> <li>(c) Brockman or a Subsidiary of Brockman: <ul style="list-style-type: none"> <li>(i) enters into a buy-back agreement; or</li> <li>(ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;</li> </ul> </li> <li>(d) Brockman or a Subsidiary of Brockman issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;</li> <li>(e) Brockman or a Subsidiary of Brockman issues, or agrees to issue, convertible notes;</li> <li>(f) Brockman or a Subsidiary of Brockman disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</li> <li>(g) Brockman or a Subsidiary of Brockman charges, or agrees to charge the whole, or a substantial part, of its business or property;</li> <li>(h) Brockman or a Subsidiary of Brockman resolves to be wound up; <ul style="list-style-type: none"> <li>(i) a liquidator or provisional liquidator of Brockman or of a Subsidiary of Brockman is appointed;</li> <li>(j) a court makes an order for the winding up of Brockman or of a Subsidiary of Brockman;</li> <li>(k) an administrator of Brockman or of a Subsidiary of Brockman is appointed under section 436A, 436B or 436C of the Corporations Act;</li> <li>(l) Brockman or a Subsidiary of Brockman executes a deed of company arrangement; or</li> <li>(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Brockman or of a Subsidiary of Brockman</li> </ul> </li> </ul> <p>For the avoidance of doubt, a Prescribed Occurrence does not include the cancellation by Brockman of the A\$3.00 Brockman Options, the A\$3.21 Brockman Options and the A\$5.85 Brockman Options as described in Section 12.5</p>

<b>Previous Brockman Bid</b>	the off-market takeover bid by Wah Nam Australia for Brockman dated 15 December 2010
<b>PricewaterhouseCoopers Australia</b>	PricewaterhouseCoopers, an Australian partnership whose registered office is QV1 250 St George's Terrace Perth WA 6000 Australia
<b>PricewaterhouseCoopers Hong Kong</b>	PricewaterhouseCoopers, a Hong Kong partnership whose registered office is at 22nd floor Prince's Building, Central, Hong Kong
<b>Register Date</b>	is the date referred to in paragraph 12.11
<b>Related Party</b>	has the meaning given in Chapter 2E of the Corporations Act
<b>Relevant Interest</b>	has the meaning given in section 608 of the Corporations Act
<b>REORIENT</b>	REORIENT Financial Markets Limited
<b>Rights</b>	all accretions to and rights attaching to the relevant Brockman Shares at or after the date of this Bidder's Statement (including, but not limited to, all dividends and all rights to receive dividends and to receive and subscribe for shares, notes or options declared, paid or issued by Brockman)
<b>SFC</b>	the Securities and Futures Commission of Hong Kong
<b>Share Option Scheme</b>	Wah Nam International's share option scheme the purpose of which is to reward individuals for their contribution to Wah Nam International
<b>Statutory Condition</b>	has the meaning given in Section 13.15
<b>Subscriber</b>	Ocean Line and its Associates
<b>Subscription</b>	the issue of the Subscription Shares and Convertible Bond to the Subscriber pursuant to the Subscription Agreement
<b>Subscription Agreement</b>	the subscription agreement between the Subscriber and Wah Nam International dated on or about the Announcement Date
<b>Subscription Conditions Precedent</b>	the conditions precedent to completion of the Subscription Agreement as set out in paragraph 9.1(d)
<b>Subscription Shares</b>	any Wah Nam International Shares to be issued to the Subscriber pursuant to the Subscription Agreement
<b>Subsidiary</b>	has the meaning set out in Division 6 of Part 1.2 of the Corporations Act
<b>Superior Proposal</b>	has the meaning given in the Bid Implementation Agreement
<b>Takeovers Code</b>	The Code on Takeovers and Mergers issued by the SFC (June 2010)
<b>Takeover Transferee Holding</b>	has the meaning given to it in the ASX Settlement Operating Rules
<b>Trading Day</b>	the daily period that the HKEx is open for trading
<b>Transaction Date</b>	the date on which the Placement Shares are input into the Automatic Order Matching System as operated by the HKEx, which shall be no later than 31 January 2012
<b>Tricor</b>	Tricor Secretaries Limited
<b>Underwriter</b>	REORIENT



<b>Underwriting Agreement</b>	the underwriting agreement between the Underwriter and Wah Nam International dated on or about the Announcement Date
<b>Unmarketable Parcel</b>	is a parcel of Wah Nam International Shares that does not constitute a Marketable Parcel
<b>Unmarketable Parcel Holder</b>	is a Brockman Shareholder who, if they accept the Offer, the Wah Nam International Shares that would be issued to them would not constitute a Marketable Parcel
<b>Voting Power</b>	has the meaning given in section 610 of the Corporations Act
<b>VWAP</b>	volume weighted average price
<b>Wah Nam Australia</b>	Wah Nam International Australia Pty Ltd ACN 134 696 727
<b>Wah Nam International</b>	Wah Nam International Holdings Limited ARBN 143 211 867
<b>Wah Nam International Group</b>	Wah Nam International and each of its Subsidiaries
<b>Wah Nam International Independent Shareholder</b>	Wah Nam International Shareholders other than Ocean Line and its Associates
<b>Wah Nam International Listed Option</b>	an ASX listed option which entitles the holder to subscribe for one Wah Nam International Share at A\$ 0.20 on or before 30 September 2014
<b>Wah Nam International Scheme Option</b>	an option issued pursuant to Wah Nam International's Share Option Scheme
<b>Wah Nam International Share</b>	an ordinary fully paid share in the share capital of Wah Nam International
<b>Wah Nam International Shareholder</b>	the holder of a Wah Nam International Share
<b>Withholding Amount</b>	has the meaning given to it in paragraph 13.8(h)
<b>WST</b>	Australian Western Standard Time

Words and phrases have the same meaning (if any) as given to them by the Corporations Act.

Words importing one gender include other genders.

Words (including defined terms) importing the plural include the singular and vice versa.

A reference to a person includes a reference to a corporation.

Headings are for ease of reference only and do not affect the interpretation of this Bidder's Statement.

Reference to Sections are to Sections of this Bidder's Statement.

Annexures and appendices to this Bidder's Statement form part of this Bidder's Statement.

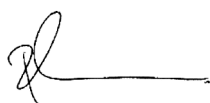
All references to time in this Bidder's Statement are to Australian Western Standard Time (WST) unless expressly specified otherwise.

## 15. Approval of Bidder's Statement

The copy of this Bidder's Statement to be lodged with the ASIC has been approved by a resolution of the directors of Wah Nam Australia.

Dated: 13 December 2011

Signed on behalf of Wah Nam International Australia Pty Ltd



Luk Kin Peter Joseph  
Director  
Wah Nam International Australia Pty Ltd

# Appendix

Wah Nam International announcements to the ASX since 31 March 2011

Date	Announcement
6 April 2011	Response to Brockman's 'Shareholder Update' on Wah Nam's takeover offer – Wah Nam International believes update contains a number of misleading statements
7 April 2011	Extension of takeover offer for FRS
7 April 2011	Extension of takeover offer for BRM
8 April 2011	Results of special general meeting held on 8 April 2011
12 April 2011	Notice of variation extending offer to new shares
13 April 2011	Change in substantial holding for BRM
14 April 2011	Appendix 3X – Initial director's interest notice – Mr Luk Kin Peter Joseph, Mr Chan Kan Kwan Jason, Mr Lau Kwok Kuen Eddie, Mr Uwe Henke Von Parpart and Mr Yip Kwok Cheung Danny
18 April 2011	Change in substantial holding from BRM
19 April 2011	WNI Australia Pty Ltd takeover bid for FRS – announcement in relation to FRS conditional offer
27 April 2011	Change in substantial holding for BRM
28 April 2011	Quarterly activities report/Appendix 5B – mining exploration entity quarterly report
29 April 2011	Change in substantial holding for BRM
4 May 2011	Takeover bid for FRS – Waiver of 90% minimum acceptance condition for off-market takeover of FerrAus Limited
5 May 2011	Monthly return of equity issuer on movements in securities for the month ended 30 April 2011
5 May 2011	Change in substantial holding for BRM
6 May 2011	Trading halt
6 May 2011	Request for trading halt
6 May 2011	Notice of variation extending offer period for FRS
6 May 2011	Notice declaring offer free from defeating conditions – BRM
9 May 2011	Permission for admission to quotation on the Hong Kong Stock Exchange
9 May 2011	Announcement of accelerated payment terms

<b>Date</b>	<b>Announcement</b>
<b>10 May 2011</b>	Change in substantial holding for BRM
<b>10 May 2011</b>	Change in substantial holding for BRM
<b>11 May 2011</b>	Change in substantial holding for BRM
<b>11 May 2011</b>	Acceptances of WNI Australia's offer
<b>13 May 2011</b>	Change in substantial holding for BRM
<b>13 May 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – Ordinary shares issued pursuant to offer
<b>13 May 2011</b>	Change in substantial holding for BRM
<b>13 May 2011</b>	Change in substantial holding for FRS
<b>16 May 2011</b>	WNI Australia achieves control of BRM
<b>17 May 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 2nd tranche of ordinary shares issued pursuant to offer
<b>20 May 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 3rd tranche of ordinary shares issued pursuant to offer
<b>24 May 2011</b>	Change in substantial holding for BRM
<b>25 May 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 4th tranche of ordinary shares issued pursuant to offer
<b>30 May 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 5th tranche of ordinary shares issued pursuant to offer
<b>3 June 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 6th tranche of ordinary shares issued pursuant to offer
<b>8 June 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 7th tranche of ordinary shares issued pursuant to offer
<b>10 June 2011</b>	Bid for Brockman Resources Limited to close 15 June 2011
<b>14 June 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – 8th tranche of ordinary shares issued pursuant to offer
<b>16 June 2011</b>	Change in substantial holding for BRM
<b>16 June 2011</b>	Notice of annual general meeting/proxy form
<b>17 June 2011</b>	Brockman and Wah Nam confirm project development – focus on joint advancement of BRM Marillana Project
<b>17 June 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement
<b>20 June 2011</b>	Supplementary bidder's statement
<b>29 June 2011</b>	Information required by Listing Rule 3.4

<b>Date</b>	<b>Announcement</b>
<b>1 July 2011</b>	ASX grants Wah Nam waiver from Listing Rule 7.1
<b>5 July 2011</b>	Notice of the status of defeating conditions under section 630(3) of the Corporations Act 2001 (Cth)
<b>7 July 2011</b>	Issue of new shares under general mandate
<b>15 July 2011</b>	Change in substantial holding for FRS
<b>15 July 2011</b>	Appendix 3B New issue announcement, application for quotation of additional securities and agreement – part payment of advisory fees to CIP
<b>18 July 2011</b>	Change in substantial holding for FRS
<b>20 July 2011</b>	Results of meeting – all ordinary resolutions passed
<b>21 July 2011</b>	Information required by Listing Rule 3.4
<b>29 July 2011</b>	Quarterly activities report/Appendix 5B – mining exploration entity quarterly report
<b>18 August 2011</b>	Notification of Board meeting
<b>22 August 2011</b>	Unlisted options expired
<b>23 August 2011</b>	Positive profit alert
<b>30 August 2011</b>	Change in substantial holding for FRS
<b>30 August 2011</b>	Interim results announcement for the 6 months ended 30 June 2011
<b>12 September 2011</b>	Half Yearly Reports and Accounts
<b>13 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>16 September 2011</b>	Response to ASX change of director's notice query – regarding possible breach of Listing Rule 3.19B
<b>21 September 2011</b>	Disposal of shares in FerrAus Limited pursuant to acceptance of takeover offer by Atlas Iron Limited
<b>23 September 2011</b>	Notice ceasing to be a substantial holder for FRS
<b>23 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>26 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>27 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>28 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>29 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>30 September 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>4 October 2011</b>	Appendix 3Y Change of director's interest notice – Mr Luk Kin Peter Joseph
<b>7 October 2011</b>	Securities trading policy

<b>Date</b>	<b>Announcement</b>
<b>13 October 2011</b>	Trading Halt
<b>14 October 2011</b>	Update on board of directors – ICAC investigation of Mr Luk
<b>14 October 2011</b>	Supplemental circular in relation to takeover offer for BRM
<b>27 October 2011</b>	Disposal of shares in Atlas Iron Limited
<b>31 October 2011</b>	Quarterly activities report/Appendix 5B – mining exploration entity quarterly report
<b>8 November 2011</b>	Appointment of director – Mr Chu Chung Yue
<b>8 November 2011</b>	Change of financial year end date
<b>8 November 2011</b>	Appendix 3X – Initial director's interest notice – Mr Chu Chung Yue
<b>10 November 2011</b>	Price and volume query received by BRM from ASX Limited – including BRM response
<b>24 November 2011</b>	ASX Grants Wah Nam Waiver from Listing Rule 7.1
<b>12 December 2011</b>	Trading Halt
<b>12 December 2011</b>	Recommended Takeover Offer for Brockman Resources Limited
<b>12 December 2011</b>	Bid Implementation Agreement for BRM
<b>13 December 2011</b>	Takeover Offer for BRM

# Corporate Directory

## Wah Nam International Directors

Mr Luk Kin Peter Joseph – Chairman  
Mr Chan Kam Kwan Jason – Executive Director  
Mr Chu Chung Yue Howard – Executive Director  
Mr Lau Kwok Kuen Eddie – Non-executive Director  
Mr Uwe Henke Von Parpart – Non-executive Director  
Mr Yip Kwok Cheung Danny – Non-executive Director  
Mr Chan Kam Kwan Jason – Company Secretary

## Registered Office

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## Australian Registrar

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne VIC 3001

## Hong Kong Registrar

Tricor Secretaries Limited  
26/F, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

## Auditor

PricewaterhouseCoopers Hong Kong  
22nd Floor Prince's Building  
Central, Hong Kong

## Australian Legal Advisers

Clayton Utz  
QV1, 250 St George's Terrace  
Perth WA 6000

## Hong Kong Legal Advisers

Michael Li & Co  
14th Floor, Printing House  
6 Duddell Street  
Central, Hong Kong

## Australian Corporate Adviser

E.L. & C. Baillieu Stockbroking Ltd  
Level 26,  
360 Collins St  
Melbourne VIC 3000

## Hong Kong Corporate Adviser

REORIENT Financial Markets Limited  
Suites 1102-03, 11/F, Far East Finance Centre,  
16 Harcourt Road  
Admiralty, Hong Kong

## Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

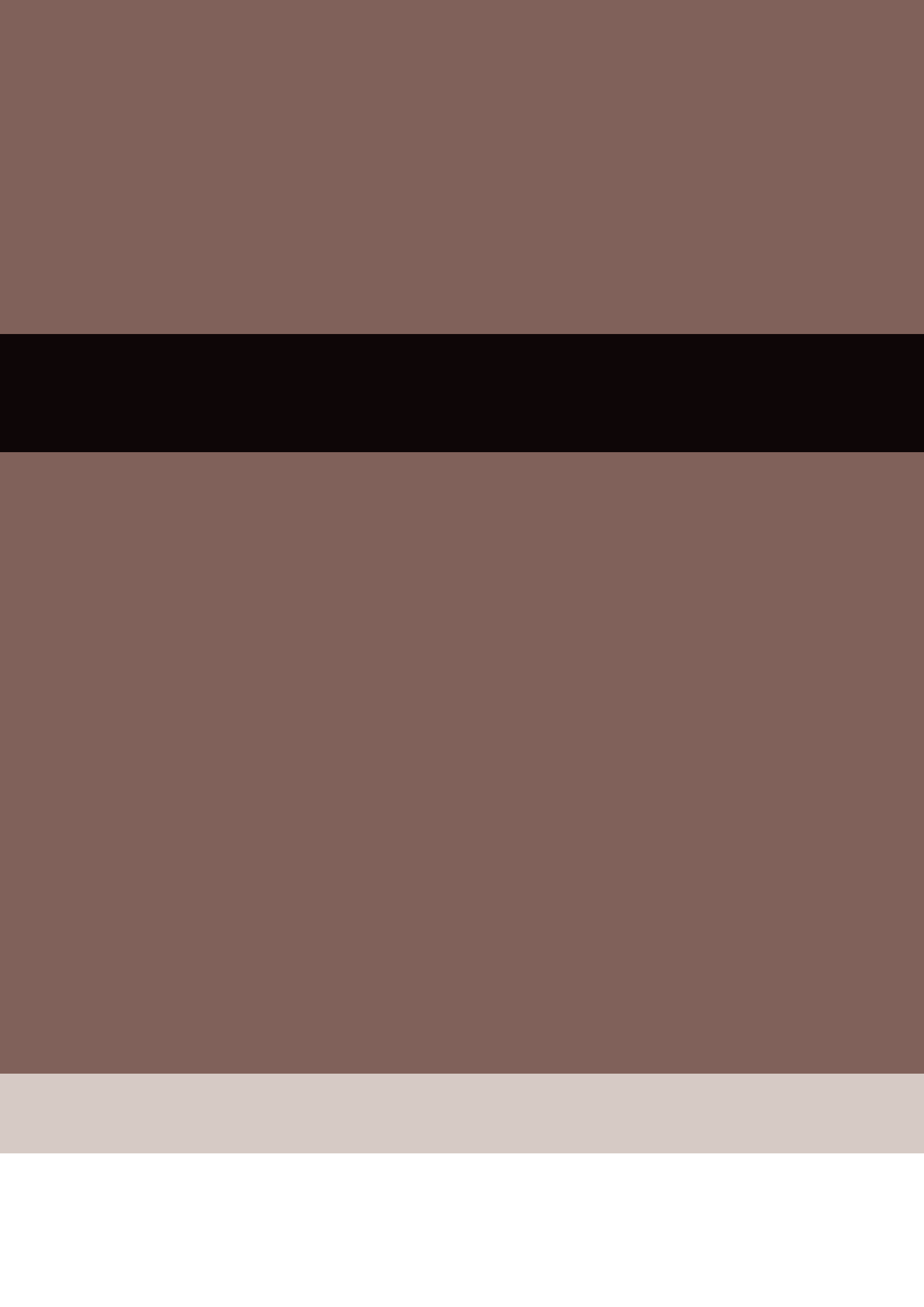
## Stock Exchange Listings

HKEx: 159  
ASX: WNI

## Website Address

[www.wnintl.com](http://www.wnintl.com)







# How to complete this form

## Acceptance of the Offer

### A Registration Details

The Brockman Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Wah Nam Australia's copy of the register.

If you have already sold all your Brockman Shares shown overleaf, you need not take any further action.

### B Consideration

The consideration applicable is that set out in the terms of Wah Nam Australia's Offer. You must select only ONE of the two alternatives presented to you.

### C How to accept the Offer

As your Brockman Shares are held in an Issuer Sponsored Holding, simply complete and return this form to the address below so that it is received by no later than 4pm (WST) on the last day of the Offer Period.

If you sign and return this Acceptance Form, you warrant to Wah Nam Australia (and authorise Wah Nam Australia to warrant on your behalf): all of your Brockman Shares are fully paid up; that you have full legal and beneficial ownership of the Shares to which this Acceptance Form relates and that Wah Nam Australia will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights; and you have the full power, capacity and authority to accept the Offer and to sell your Brockman Shares (including the legal and beneficial ownership in those Brockman Shares).

**Neither Wah Nam Australia or Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process.**

### D Contact details

Enter the name of a contact person you authorise us to speak to and telephone number. These details will only be used in the event that the registry has a query regarding this form.

### E Signature(s)

You must sign the form as follows in the space provided:

- Joint holding: where the holding is in more than one name all of the shareholders must sign.
- Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.
- Deceased Estate: all executors must sign and, a certified copy of Probate or Letters of Administration must accompany this form.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

## Lodgement of Acceptance Form

This Acceptance Form must be received by CIS in sufficient time to allow your instruction to be acted upon by 4:00pm (WST) on the last day of the Offer Period. You should allow sufficient time for this to occur. Return this Acceptance Form to:

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
MELBOURNE VIC 3001

Neither CIS nor Wah Nam Australia accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.

## Privacy Statement

Personal information is collected on this form by CIS, as registrar for Wah Nam Australia for the purpose of maintaining registers of Shareholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Wah Nam Australia in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning the Offer please contact the Shareholder Information Line on 1300 582 820 (for callers within Australia) or +61 3 9415 4811 (for callers outside Australia).**

Please note this form may not be used to change your address.

**Please return the completed form in the envelope provided or to the address opposite:**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 8060  
Australia





# How to complete this form

## Acceptance of the Offer

### A Registration Details

The Brockman Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Wah Nam Australia's copy of the register.

If you have already sold all your Brockman Shares shown overleaf, you need not take any further action.

### B Consideration

The consideration applicable is that set out in the terms of Wah Nam Australia's Offer. You must select only **ONE** of the two alternatives presented to you.

### C How to accept the Offer

As your Brockman Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept Wah Nam Australia's Offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant.

If you want Wah Nam Australia to contact your Controlling Participant on your behalf, sign and return this form to the address below so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Wah Nam Australia to instruct your Controlling Participant to initiate acceptance of Wah Nam Australia's Offer on your behalf. If you sign and return this Acceptance Form, you warrant to Wah Nam Australia (and authorise Wah Nam Australia to warrant on your behalf) that you have full legal and beneficial ownership of the Brockman Shares to which this Acceptance Form relates and that Wah Nam Australia will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

**Neither Wah Nam Australia nor Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for your Controlling Participant or Wah Nam Australia to initiate the acceptance of Wah Nam Australia's Offer on your behalf.**

### D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

### E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the shareholders must sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

## Lodgement of Acceptance Form

This Acceptance Form must be received by CIS in sufficient time to allow your instruction to be acted upon by 4:00pm (WST) on the last day of the Offer Period. You should allow sufficient time for this to occur. Return this Acceptance Form to:

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
MELBOURNE VIC 3001

Neither CIS nor Wah Nam Australia accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.

## Privacy Statement

Personal information is collected on this form by CIS, as registrar for Wah Nam Australia for the purpose of maintaining registers of Shareholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Wah Nam Australia in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

If you have any enquiries concerning the Offer please contact the Shareholder Information Line on 1300 582 820 (for callers within Australia) or +61 3 9415 4811 (for callers outside Australia).

Please note this form may not be used to change your address.

**Please return the completed form in the envelope provided or to the address opposite:**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 8060  
Australia

