

12 November 2010

Dear Shareholder

## **Takeover Offer Received from Wah Nam International**

### **Shareholders Should Take No Action**

I am writing to inform you that FerrAus Limited (FerrAus) has received an unsolicited, conditional proposal from a wholly owned subsidiary of Wah Nam International Holdings Limited (Wah Nam) to acquire all of the ordinary shares of FerrAus not currently held by Wah Nam, by way of an off market takeover offer (Offer). The terms of the Offer are six (6) Wah Nam shares for each FerrAus share, which implies a value of approximately A\$1.30 per FerrAus share based on the price for Wah Nam shares on the Hong Kong Stock Exchange of HK\$1.69 (A\$0.217) per share on 10 November 2010.

**The Board is unanimous in its view that FerrAus shareholders should take no action, nor make any decision in relation to their shareholding until the Board has received and had an opportunity to consider, Wah Nam's Offer, which is outlined in the Bidder's Statement lodged with the Australian Securities Exchange (ASX). Following consideration of the Offer, the Board will determine and advise FerrAus shareholders of its recommendation.**

Wah Nam's Offer will not open for acceptance until its Bidder's Statement is despatched to FerrAus shareholders and must remain open for a minimum period of one month. Wah Nam has lodged its Bidder's Statement with the Australian Securities and Investments Commission (ASIC). The Board will ensure shareholders have adequate time to make a decision in respect of the Offer.

Gryphon Partners is advising FerrAus in respect of the Offer and the Board intends to keep shareholders fully informed of any further developments.

Should you have any enquiries relating to this offer please telephone the FerrAus Limited Shareholder Information Line:

1300 133 271 (Toll Free) within Australia or +61 3 9415 4157 from outside Australia

Detailed information on FerrAus Limited can be found on the company's website:  
[www.ferraus.com](http://www.ferraus.com)

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Nyvlt'.

John Nyvlt  
Chairman