

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

FERRAUS LIMITED

ACN 097 422 529

**You will receive 6 Wah Nam International Shares for every
FerrAus Share held**

The Offer is dated [●] and will close at 4:00pm (WST) on [●] 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

Legal Adviser
to Wah Nam International Australia Pty Ltd



CLAYTON UTZ

IMPORTANT INFORMATION

Important dates

Announcement of the Offer	10 November 2010
Original Bidder's Statement lodged with ASIC	10 November 2010
Replacement Bidder's Statement lodged with ASIC	6 December 2010
Date of the Offer	[●]
Offer Period opens	9:00am (WST) on [●]
Offer Period closes (unless extended)	4:00pm (WST) on [●]

Bidder's Statement

This document is a replacement 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 FerrAus Limited (**FerrAus**) under Chapter 6 of the Corporations Act in relation to the Offer contained in Section 13 of this Bidder's Statement.

This document replaces the original bidder's statement lodged with ASIC on 10 November 2010 (**Original Bidder's Statement**). It incorporates the Original Bidder's Statement and changes made in the supplementary bidder's statement lodged with ASIC on 6 December 2010.

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 6 December 2010.

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 FerrAus. 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 FerrAus Shares from FerrAus Shareholders in any jurisdiction in which such an offer would be illegal.

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 FerrAus Shareholder whose address as shown in the FerrAus 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).

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 the FerrAus 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), 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 or the Combined Group 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 FerrAus Shareholders in assessing the Offer. The financial information and other forward-looking statements are based on information available to Wah Nam Australia at 9 November 2010 and should be read in conjunction with the assumptions underlying their preparation as set out in Section 6.13.

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 fulfillment 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 FerrAus and Brockman Resources information

The information in this Bidder's Statement concerning FerrAus, and the assets and liabilities, financial position and performance, profits and losses and prospects of FerrAus 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 in this Bidder's Statement concerning Brockman Resources, and the assets and liabilities, financial position and performance, profits and losses and prospects of Brockman Resources 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 FerrAus and Brockman Resources, 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 FerrAus' business may be included in FerrAus' target's statement which FerrAus must provide to FerrAus Shareholders in response to this Bidder's Statement, and reference should be made to that information. Further information relating to Brockman Resources' business may be included in Brockman Resources' target's statement, which Brockman Resources must provide to Brockman Resources Shareholders in response to Wah Nam Australia's Brockman Resources Bidder's Statement and reference should be made to that information. The Brockman Resources target's statement will not be provided to FerrAus Shareholders but will be available to FerrAus Shareholders on the ASX website: www.asx.com.au.

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 FerrAus 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 4:00pm (WST) on 9 November 2010, the latest practicable date prior to lodgment of the Original Bidder's Statement, being A\$/HK\$: 7.8186.

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 085 644 (toll free for callers in Australia) or +61 3 9415 4142 (for callers outside Australia) Monday to Friday 5:30am to 5:00pm (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.

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華南

華南投資控股有限公司
WAH NAM INTERNATIONAL HOLDINGS LIMITED
(於百慕達註冊成立之有限公司)
Incorporated in Bermuda with Limited Liability

香港聯合交易所上市公司股票號碼: 0159
SEHK Stock Code: 0159

LETTER FROM THE CHAIRMAN OF WAH NAM INTERNATIONAL HOLDINGS LIMITED

Dear Shareholder

On behalf of the directors of Wah Nam International Holdings Limited (**Wah Nam International**), I am pleased to present this Offer by Wah Nam International Australia Pty Ltd (**Wah Nam Australia**), a wholly-owned subsidiary of Wah Nam International, to acquire all of your shares in FerrAus Limited (**FerrAus**) on the basis of 6 Wah Nam International Shares for every 1 FerrAus Share you hold.

I am convinced that this Offer is in the best interests of all FerrAus Shareholders and I encourage you to accept the Offer to become a Wah Nam International Shareholder.

Concurrent with this Offer, Wah Nam Australia is making an offer to shareholders in Brockman Resources Limited to acquire all of their Brockman Resources Shares. If this Offer and the Brockman Resources Offer are successfully completed, Wah Nam International may be in a unique position to rapidly progress the development of two significant Australian hematite iron ore projects. Being listed on one of the world's largest capital markets, the HKEx, may provide Wah Nam International with advantages in securing project finance on favourable terms to the benefit of its shareholders.

We have no intention to make any significant changes to the business operation and company structure of FerrAus, but rather intend to combine resources, management teams and skill sets, to focus on the rapid development of the FerrAus Pilbara and Marillana Projects, maximising returns for our shareholders.

Acceptance of our Offer will deliver you a substantial premium to your FerrAus Shares on the day before our Offer was announced as well as a range of other potential benefits, which are described in this Bidder's Statement.

I encourage you to accept our Offer as soon as possible, and in doing so, you will be playing an important role in the creation of a new and exciting iron ore business in the Pilbara region of Western Australia.

If you have any questions about the Offer, please do not hesitate to call your broker or financial adviser or call the Offer Information Line on 1300 085 644 (toll free for callers in Australia) or +61 3 9415 4142 (for callers outside Australia) Monday to Friday 5:30am to 5:00pm (WST).

Yours faithfully



Luk Kin Peter Joseph
Chairman
Wah Nam International Holdings Limited

1. Why you should ACCEPT the Offer

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

- You are being offered a substantial and attractive premium of 59.9% to FerrAus' VWAP for the 90 days prior to the Announcement Date (10 November 2010).
- You will become a shareholder in Wah Nam International, a company listed on the HKEx. If the Offer is successful, to Wah Nam International's knowledge, it will become the only HKEx listed company developing a significant Australian hematite iron ore deposit.
- The HKEx is one of the world's largest markets by market capitalisation.
- You may be entitled to Capital Gains Tax rollover relief on the disposal of your FerrAus Shares.
- If the Offer is successful, you will be issued dual ASX/HKEx listed Wah Nam International Shares.
- If the Offer is not successful and no alternative proposal emerges, the price for your FerrAus Shares may fall.

Concurrent with this Offer, Wah Nam International is also making the Brockman Resources Offer. The Offer and the Brockman Resources Offer are not conditional on each other.

If Wah Nam International is successful in gaining all or a majority of either or both of FerrAus and Brockman Resources and therefore the **Combined Group** is formed:

- As a Wah Nam International Shareholder, you may benefit from the Combined Group's ability to attract financing for the Projects.

If Wah Nam International is successful in gaining all or a majority of both Brockman Resources and FerrAus and therefore the **Wah Nam International-Brockman Resources-FerrAus Group** is formed:

- The Wah Nam International-Brockman Resources-FerrAus Group may be in a better position than FerrAus to progress, develop and finance the potential independent infrastructure requirements of the Projects.

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

1.1 You are being offered a substantial and attractive premium

Wah Nam Australia is offering you 6 Wah Nam International Shares for every FerrAus Share held.

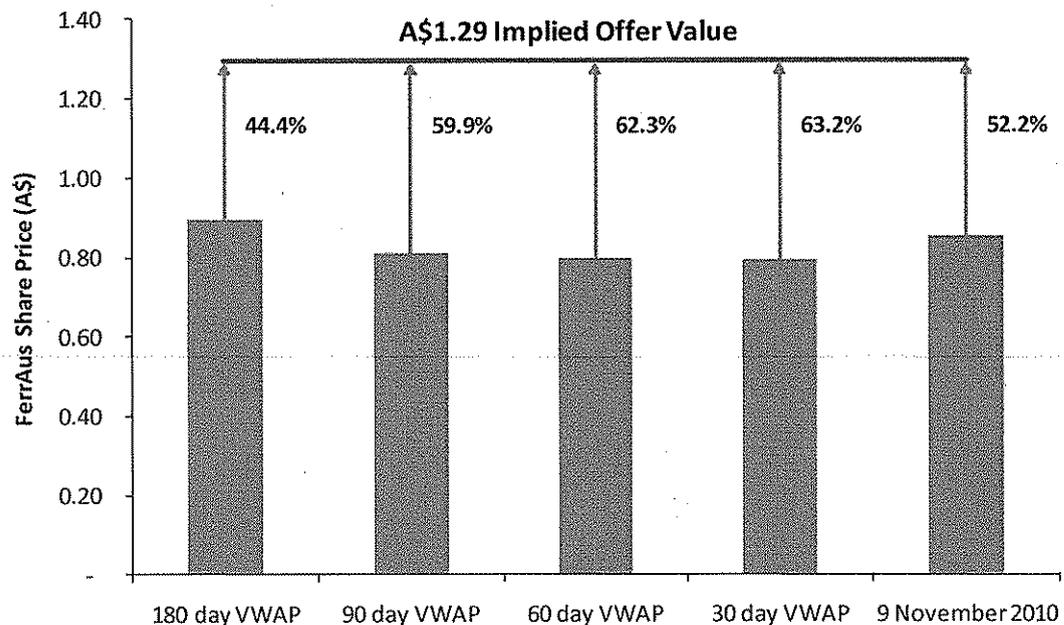
Based on the VWAP of Wah Nam International Shares on the HKEx during the 2 full trading days of 8 November 2010 and 9 November 2010, the Offer values your FerrAus Shares at A\$1.29 per share (**Implied Offer Value**).

The Offer represents a substantial and attractive premium to the Pre-Announcement Price and VWAP of your FerrAus Shares on the ASX across a broad range of time periods, namely:

- a 44.4% premium to the VWAP for the 180 days to 9 November 2010 (the last trading day before the Offer was publicly announced);
- a 59.9% premium to the VWAP for the 90 days to 9 November 2010;
- a 62.3% premium to the VWAP for the 60 days to 9 November 2010;
- a 63.2% premium to the VWAP for the 30 days to 9 November 2010; and
- a 52.2% premium to the closing price of FerrAus Shares on 9 November 2010.

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

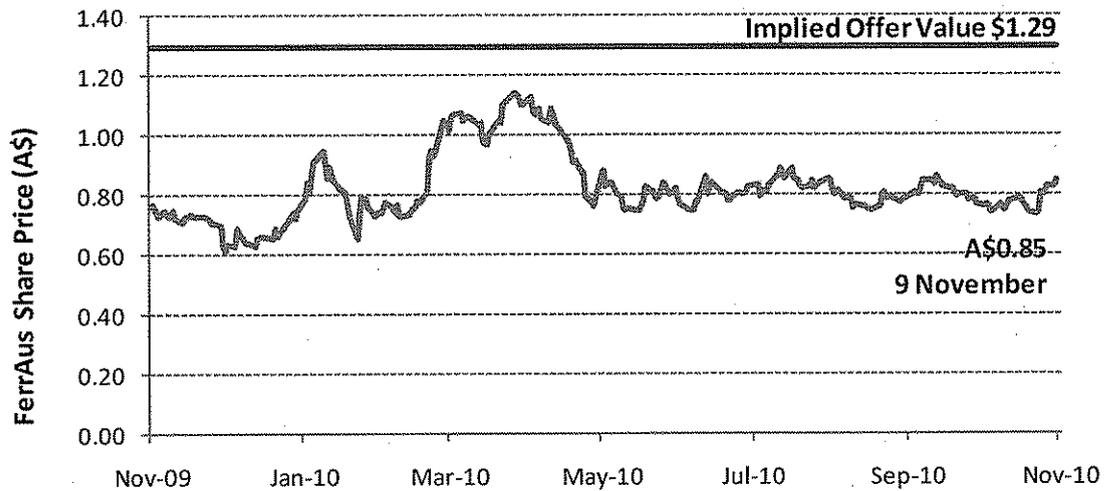
Figure 1: Implied Offer Value Premiums



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

As illustrated in **Figure 2**, FerrAus has not traded above the Implied Offer Value at any time in the past 12 months.

Figure 2: FerrAus Share Price for the 12 Months Prior to the Announcement Date



1.2 You will become a shareholder in Wah Nam International, a company listed on the HKEx

Wah Nam International plans to be a developer of strategic mining assets in politically stable, mineral resource-rich countries. The Offer represents a significant step for Wah Nam International in achieving this plan.

Through this Offer and the Brockman Resources Offer, Wah Nam International is seeking to maximise benefits to its current and future shareholders. If Wah Nam Australia is successful in gaining effective control of either FerrAus and/or Brockman Resources, Wah Nam International expects to progress its Australian iron ore projects to production and aims to be a significant iron ore producer by global standards.

Being listed on one of the world's largest capital markets, the HKEx, should provide Wah Nam International with advantages in securing project finance on favourable terms, to the benefit of Wah Nam International Shareholders. The appeal of Wah Nam International to HKEx investors is likely to be large as to Wah Nam International's knowledge, it will be the only HKEx listed company with direct exposure to Australian hematite iron ore projects and the demand for Australian hematite iron ore in the region is immense.

Wah Nam International currently has 3,907,435,485 shares on issue, giving it a market capitalisation of approximately HK\$6.4 billion (A\$814.6 million).

1.3 The HKEx is one of the world's largest markets by market capitalisation

The HKEx serves as a gateway for companies to achieve exposure to the rapidly growing PRC market.

Since 2008, over US\$125 billion in capital raisings have been announced with the HKEx and the HKEx has a strong presence in resources, boasting:

- one of the world's largest companies by market capitalisation, PetroChina Company Ltd with a market capitalisation, as at 4 November 2010, of US\$314 billion;

- the world's largest publicly traded coal producer, China Shenhua Energy Company Limited with production of 210 million tonnes of coal in 2009;
- the largest aluminium company in the world, United Company Rusal Limited; and
- companies which have invested heavily in Australian resource companies, such as:
 - Angang Steel Company Limited (A\$1.8 billion joint venture with Gindalbie Metals Ltd);
 - Yanzhou Coal Mining Company Limited (A\$3.5 billion acquisition of Felix Resources Ltd); and
 - Fushan International Energy Group Limited (14.24% stake in Mount Gibson Iron Ltd).

1.4 You may be entitled to Capital Gains Tax rollover relief on the disposal of your FerrAus Shares

Very broadly, if, as a result of the Offer, Wah Nam Australia acquires 80% or more of the FerrAus Shares, FerrAus Shareholders who would otherwise make an Australian capital gain from the disposal of their FerrAus Shares may benefit from CGT rollover relief. CGT rollover relief, if available, will effectively defer any capital gain until disposal of the Wah Nam International Shares obtained under the Offer. Details of the CGT rollover are discussed in Section 9.

1.5 Wah Nam International intends to dual list on the Australian Securities Exchange (ASX)

Wah Nam International intends to apply for admission to the ASX within 7 days after the start of the Bid Period. If the Offer is successful, you will be issued dual ASX/HKEx listed Wah Nam International Shares.

As a Wah Nam International Shareholder, you will have the option of trading your Wah Nam International Shares on the ASX or the HKEx. For more details, please see Sections 4.1 and 4.2.

1.6 If the Offer is not successful and no alternative proposal emerges, the price for your FerrAus Shares may fall

If the Offer is not successful, the FerrAus Share price may fall in the absence of another bidder making an offer.

The prospects of another bidder emerging may be low given Wah Nam Australia has a 19.90% shareholding in FerrAus.

1.7 Consequences of not accepting

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

- If Wah Nam Australia holds the majority of FerrAus Shares, and should FerrAus Shares remain listed, the market for your FerrAus Shares may be

less liquid or active. Therefore, it could be difficult for you to sell your FerrAus Shares after the Offer Period ends, should you choose to do so.

- As stated before, if the Offer ends without being successful, FerrAus Shares may revert towards pre-bid price levels in the absence of another bidder making an offer. The emergence of another bidder may be unlikely, particularly as Wah Nam Australia already has sufficient FerrAus Shares to prevent another bidder from proceeding to compulsory acquisition.
- If Wah Nam Australia is successful in gaining a 90% or more interest in FerrAus 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 FerrAus Shares not acquired under the Offer.

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

1.8 As a Wah Nam International Shareholder, you may benefit from the Combined Group's ability to attract financing for the Projects

Accepting FerrAus Shareholders will become Wah Nam International Shareholders and, upon completion of the Offer, the Combined Group (if formed) will be a larger, more financially secure company.

In addition, the value of Wah Nam International Shares is likely to be positively re-rated by the equity capital markets as a consequence of:

- 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 investment funds.

Successful development and commercialisation of the FerrAus Pilbara Project will require the achievement of a number of successful milestones, including:

- a positive definitive feasibility study; and
- finalisation of port and rail infrastructure.

Given the early stage of development of the FerrAus Pilbara Project, FerrAus will require a significant amount of capital to advance it to eventual production. Current estimates from the FerrAus pre-feasibility study announced on 15 November 2010 indicate capital costs which are significantly greater than FerrAus' cash balance of approximately A\$22 million (as disclosed in FerrAus' Appendix 5B for the quarter ending 30 September 2010). The pre-feasibility study did not consider an independent, 'end-to-end' railway option - this capital expenditure would be in addition to the estimates released by FerrAus.

Development of the FerrAus Pilbara Project independently (ie outside of the Wah Nam International - FerrAus Group) would necessitate FerrAus entering into additional financing arrangements, the availability and terms of which are uncertain and may not be favourable to FerrAus Shareholders.

The Combined Group may be better positioned to attract the debt and/or equity required than FerrAus alone. As a Wah Nam International Shareholder you may benefit from the Combined Group's ability to attract funding for the Projects.

1.9 The Wah Nam International - Brockman Resources - FerrAus Group may be in a better position to develop the potential independent infrastructure requirements of the FerrAus Pilbara Project

The Wah Nam International - Brockman Resources - FerrAus Group will have a multi-mine asset base in the Pilbara with a significant JORC Code compliant iron ore Mineral Resource. The scale of the Projects controlled by the Wah Nam International - Brockman Resources - FerrAus Group will be such that an independent, 'end-to-end' infrastructure solution is likely to be viable and the Wah Nam International - Brockman Resources - FerrAus Group will be well positioned to study such a solution and, should it prove to be viable, seek the required financing. If an independent infrastructure solution was to be developed under the Wah Nam International - Brockman Resources - FerrAus Group, as a Wah Nam International Shareholder you will benefit from the certainty of access to vital infrastructure, without which neither the Marillana Project nor the FerrAus Pilbara Project can be successfully developed.

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 FerrAus Shares.

What is the Offer? Wah Nam Australia is offering to acquire all of your FerrAus Shares for 6 Wah Nam International Shares for each FerrAus Share held, on the terms and conditions set out in Section 13.

What is the value of the Offer? The Implied Offer Value is A\$1.29 per FerrAus Share, and represents an attractive premium to the Pre-Announcement Price of FerrAus 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.

Who is making the Offer? The Offer is being made by Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of Wah Nam International Holdings Limited.
Wah Nam International is an investment holding company listed on the HKEx.
Further information on Wah Nam International and Wah Nam Australia is set out in Section 3.

How do I accept the Offer? You may only accept the Offer in respect of all of your FerrAus Shares. To accept the Offer:

- **if your FerrAus Shares are sponsored directly by FerrAus**, 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
- **if you hold your FerrAus Shares in a CHESS Holding**, either:
 - (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
 - (b) instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf; or
- **if you are a Broker**, initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules,

so that your acceptance may be recorded before the end of the Offer Period.

Detailed instructions on how to accept the Offer are set out in Section 13.5 and on the enclosed Acceptance Form.

Can I accept the Offer in respect of a part of my holding?

Subject to paragraph 13.4(a)(ii), you may only accept this Offer in respect of all of your FerrAus Shares.

When does the Offer close?

The Offer is scheduled to close at 4:00pm (WST) on [●]. You should note that the Offer Period can be extended as permitted by the Corporations Act.

What are the conditions of the Offer?

The Offer is subject to the Statutory Condition set out in Section 13.15 and the Conditions set out in Section 13.9, including:

- approval of the requisite majority of Wah Nam International Shareholders to acquire all of the FerrAus Shares and to allot and issue the Consideration Shares;
- approval of the HKEx for the listing of the Consideration Shares;
- approval of the ASX for Wah Nam International to be admitted to the ASX and the quotation of Wah Nam International Shares on the ASX; and
- Wah Nam Australia acquiring at least 90% of the FerrAus Shares.

The Offer and the Brockman Resources Offer are not conditional on each other.

The Wah Nam International Shareholder meeting to consider the Offer is expected to be held on 13 December 2010.

The status of the Conditions as at the date of this Bidder's Statement is discussed in Section 13.14.

What is the status with FIRB?

FIRB advised Wah Nam Australia that it had no objections to Wah Nam Australia making the proposed Offer but, since the lodgement of the Original Bidder's Statement, FIRB has asked Wah Nam Australia to seek written confirmation of the previous clearance which Wah Nam Australia has sought and is awaiting confirmation from FIRB. Please refer to Section 12.7 for more details.

Are there any risks involved in accepting the Offer?

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 or the Combined Group 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.

What happens if the Conditions are not satisfied or waived?

If the Conditions are not satisfied or waived by the end of the Offer Period, the Offer will lapse.

What happens if I accept?	<p>If the Offer becomes or is declared unconditional, you will receive 6 Wah Nam International Shares for each of your FerrAus Shares.</p> <p>Once you accept the Offer, (even while it remains subject to Conditions) you will not be able to sell your FerrAus Shares on the ASX or otherwise transfer ownership, subject to a limited statutory right to withdraw your acceptance.</p>
If I accept the Offer can I later withdraw my acceptance?	<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>
What will happen if Wah Nam Australia improves the Offer Consideration?	<p>If Wah Nam Australia improves the Offer Consideration, all FerrAus 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>
If I accept the Offer, when will I receive my Wah Nam International Shares?	<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 by the earlier of:</p> <ul style="list-style-type: none"> • 1 month after the date that you accept, or if the Offer is subject to Conditions when you accept the Offer, within 1 month after the date the Offer becomes, or is declared, free of the Conditions; or • within 21 days after the Offer Period closes.
What will the tax consequences be?	<p>Section 9 summarises the tax implications for FerrAus Shareholders who accept the Offer and are resident for tax purposes in Australia.</p>
Do I pay brokerage or stamp duty if I accept?	<p>You will not pay brokerage or stamp duty on the disposal of your FerrAus Shares if you accept the Offer.</p> <p>However, if you sell your FerrAus Shares on the ASX or you instruct your Broker or other Controlling Participant to accept the Offer on your behalf, you may incur fees or brokerage charges.</p>
What happens if I do not accept?	<p>You will remain a FerrAus Shareholder and will not receive the consideration offered by Wah Nam Australia.</p> <p>If Wah Nam Australia becomes entitled to compulsorily acquire your FerrAus Shares, it intends to do so. If your FerrAus Shares are compulsorily acquired by Wah Nam Australia, it will be on the same terms as the Offer. However, you will receive your Wah Nam International Shares later than the FerrAus Shareholders who choose to accept the Offer.</p>
I am not resident in Australia. Can I accept the Offer?	<p>Wah Nam International Shares will not be issued as consideration to Ineligible Overseas Shareholders. Please see Section 13.6 for further details.</p>

Will Wah Nam International Shares be listed on the ASX?

Wah Nam International intends to seek to list all Wah Nam International Shares on the ASX. If the application is not successful, then all contracts resulting from the acceptance of the Offer will be automatically void.

Can I trade my Wah Nam International Shares on the HKEx?

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.

What if I require further information?

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 085 644 (toll free for callers in Australia) or +61 3 9415 4142 (for callers outside Australia) Monday to Friday 5:30am to 5:00pm (WST).

3. Information about Wah Nam International and Wah Nam Australia

3.1 Background

Wah Nam International is an investment holding company, incorporated in Bermuda and listed on the HKEx (Hong Kong Stock Code 159) since 2002. Accordingly, it is governed by the Companies Act, the HKEx Listing Rules, and if the Offer is successful and it is granted admission to the official list of the ASX, the ASX Listing Rules. It is a foreign company for the purposes of the Corporations Act.

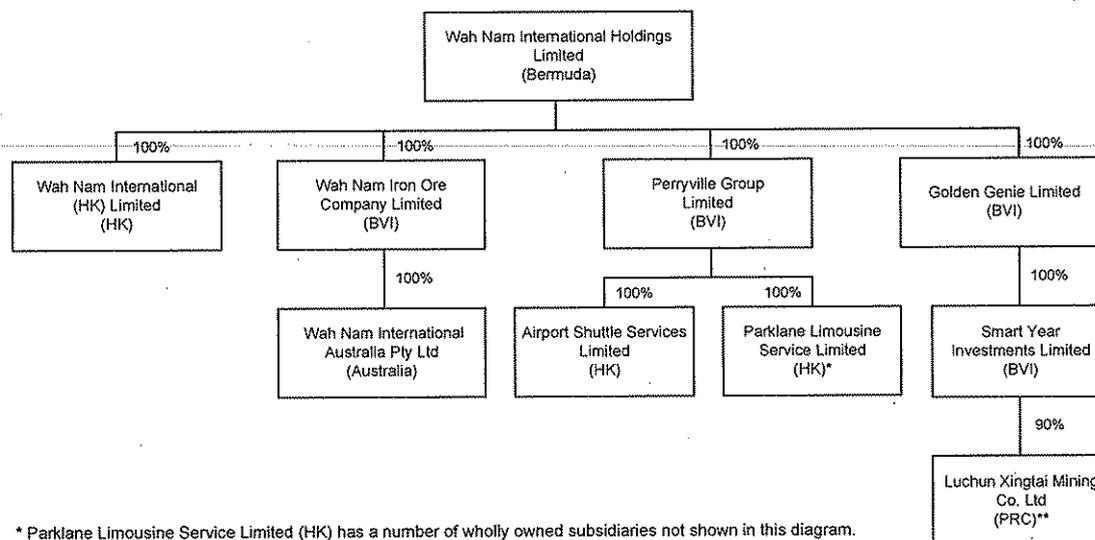
Since its establishment, Wah Nam International has been involved in various business activities. With its acquisition of the Damajianshan Mine in the PRC in 2008, Wah Nam International refocused itself as a mining resources company.

Wah Nam Australia is an Australian wholly-owned Subsidiary of Wah Nam International.

As at the date of this Bidder's Statement, Wah Nam Australia has the following investments:

- 32,347,405 (22.63%) Brockman Resources Shares; and
- 40,934,400 (19.90%) FerrAus Shares.

3.2 Corporate Structure



* 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 exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC;
- the provision of limousine rental and airport shuttle bus transportation services in Hong Kong and the PRC; and

- the investment of funds in equity securities.

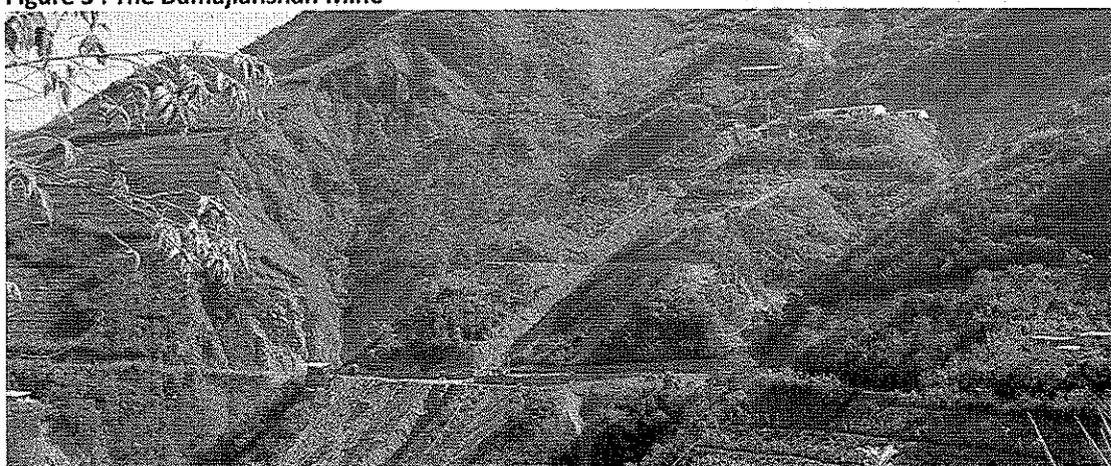
(a) **Smart Year Investments Limited**

Wah Nam International's Subsidiary, Smart Year is a British Virgin Islands incorporated company and the holding company of Luchun Xingtai.

Luchun Xingtai is a Sino-foreign equity joint venture enterprise established in February 2004 in the PRC, which is 90% owned by Smart Year and 10% by Yunnan Maosheng Yuan. Wah Nam International finalised the acquisition of Smart Year in September 2008.

Luchun Xingtai engages in the exploitation, processing and sale of copper ore concentrate. It owns 100% of the Damajianshan Mine (Figure 3).

Figure 3 : The Damajianshan Mine



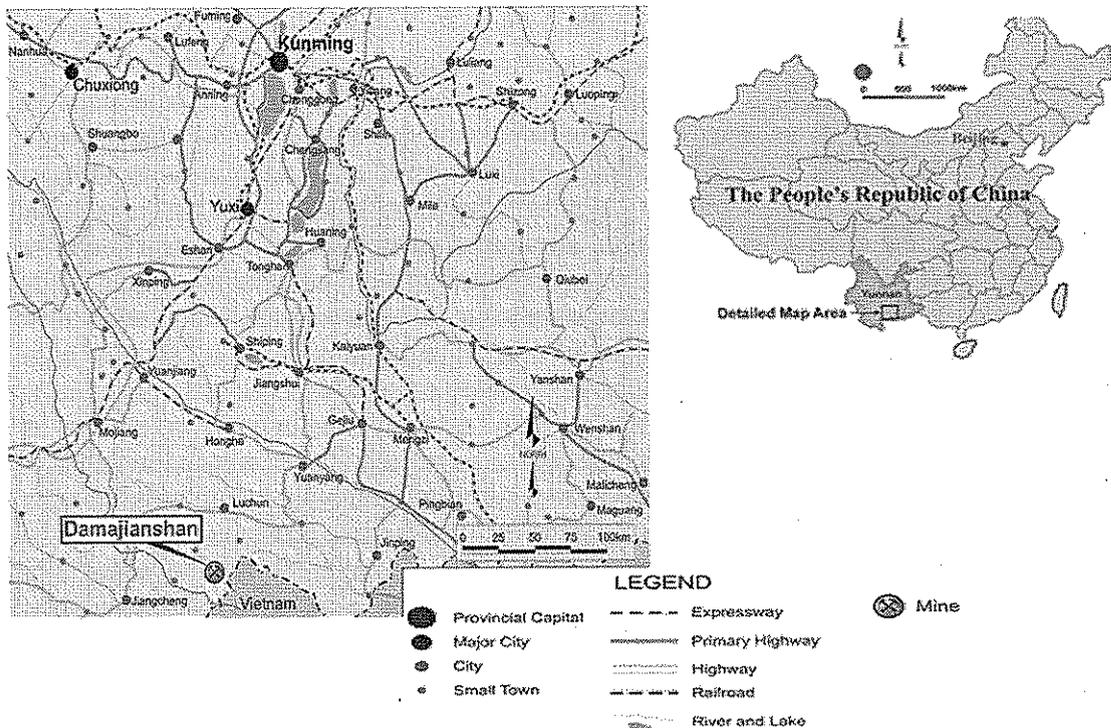
In FY2009 and FP2010, the production volume of copper concentrate was approximately 340 tonnes and 125 tonnes, respectively, and the sale of copper concentrate was approximately 410 tonnes and 74 tonnes, respectively. For FY2009 and FP2010, Wah Nam International recorded a turnover of approximately HK\$14.8 million and HK\$3.4 million, respectively, from Luchun Xingtai.

During FY2009 and FP2010, production was relatively low as the emphasis was on exploration and the delineation of additional resources to support an expanded operation. Subject to the progress of further exploration and the production plan, Wah Nam International plans to increase the production volume to meet the growing demand in the PRC market and thus improve the present production efficiency as the scale of production increases.

Wah Nam International will continue to develop its existing mine in the PRC with a view to increasing the Wah Nam International Group's copper production and revenue.

The Damajianshan Mine is located in Qimaba Township, Luchun County of Yunnan Province in the PRC. It is near the border between the PRC and Vietnam (Figure 4).

Figure 4 : Map of Damajianshan Mine



In the 3.67 square kilometres covered by the mining right there are Ore Reserves of over 7.8 million tonnes of ore with an average Cu grade of 1.46% and Mineral Resources of over 15.5 million tonnes of ore with an average Cu grade of 1.68%. The mine operation has the potential to produce over 429,000 tonnes per annum for more than 18 years. The mine site is accessible by gravel road. After beneficiation copper concentrate is trucked to customers throughout the PRC. Please refer to Table 1 and Table 2 below and the Independent Technical Report and update letter which are set out in full in Section 10 for a more detailed breakdown of Ore Reserves and Mineral Resources¹.

Table 1: Damajianshan Mine Ore Reserves

JORC Ore Reserve Category	Tonnage (kt)	Grading				Contained Metals			
		Cu %	As %	Pb %	Ag g/t	Cu kt	As kt	Pb kt	Ag t
Proved	4,648	1.49	5.7	1.28	42.6	69.3	265	59.7	198

¹ These tables were part of a Damajianshan Mine Independent Technical Report (ITR) prepared by Behre Dolbear in accordance with the JORC Code and VALMIN Code on 30 June 2008 which is set out in full in Section 10. Based on Behre Dolbear's site visit and information review of the Damajianshan Mine in April 2010, Behre Dolbear believes that no material changes or upgrades occurred in the mineral resources and ore reserves for the Damajianshan Mine as they were stated in the 30 June 2008 Behre Dolbear ITR. Behre Dolbear is a subsidiary of Behre Dolbear & Company Inc.

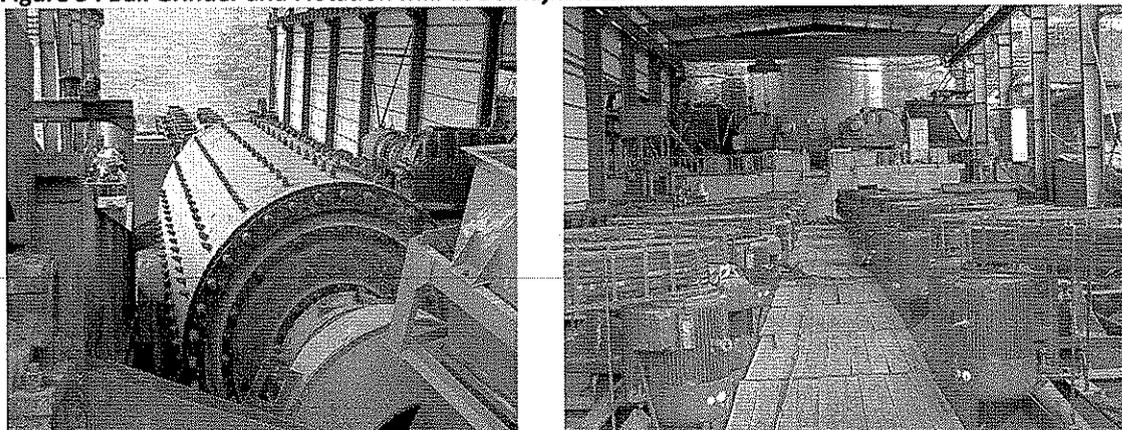
Probable	3,150	1.42	6.28	1.49	47.9	44.6	198	47.1	151
Total	7,798	1.46	5.94	1.37	44.8	113.9	463	106.8	349

Table 2: Damajianshan Mine Mineral Resources

JORC Mineral Resource Category	Tonnage (kt)	Grading						Contained Metals					
		Cu %	As %	Pb %	Zn %	Bi %	Ag g/t	Cu kt	As kt	Pb kt	Zn kt	Bi kt	Ag t
Measured	4,652	1.79	6.83	1.54	0.37	0.24	51.1	83.1	318	71.6	17.1	10.9	237
Indicated	3,153	1.7	7.52	1.79	0.52	0.25	57.4	53.5	237	56.4	16.5	8.0	181
Subtotal	7,805	1.75	7.11	1.64	0.43	0.24	53.6	136.5	555	128	33.6	18.9	418
Inferred	7,678	1.61	6.48	2.18	0.48	0.24	63.1	123.9	498	167.2	36.9	18.3	484
Total	15,483	1.68	6.8	1.91	0.46	0.24	58.3	260.4	1,053	295.2	70.5	37.2	903

Plant and equipment at the Damajianshan Mine includes a ball grinder and flotation mill, capable of producing 429,000 tonnes of ore per annum (Figure 5).

Figure 5 : Ball Grinder and Flotation Mill at Damajianshan Mine Beneficiation Plant



Mining Right

The Department of Land and Resources of Yunnan Province issued the mining right certificate to Luchun Xingtai in January 2005 which was renewed in September 2007 for a period of 5 years. It will expire in September 2012. The directors of Wah Nam International have no reason to believe that Luchun Xingtai will not be able to renew the mining right with the relevant government authority at the appropriate time.

For further details, please see the Independent Technical Report and update letter contained in Section 10 and the key risks set out in Section 7.

(b) **Limousine rental and airport shuttle bus services**

The limousine rental and airport shuttle bus business is carried on through Wah Nam International's interest in another wholly owned Subsidiary, Perryville Group Limited.

This business segment provides high end limousine rental services in Hong Kong and the PRC (including Shenzhen, Guangzhou, Shanghai and Beijing) and airport shuttle bus services in Hong Kong. The limousine business in Beijing will gradually be

phased out and resources will be reallocated to focus on expected more profitable locations such as Shanghai, Guangzhou and Shenzhen.

Currently, the Wah Nam International Group has a fleet of 133 limousine cars serving major hotels, corporate and individual customers. The Wah Nam International Group recorded a total turnover of HK\$80.6 million from its limousine and airport shuttle business in Hong Kong and the PRC for the FY2009 and HK\$51.8 million for the FP2010. Wah Nam International believes that this business segment will continue to provide a stable revenue and income source to the Wah Nam International Group.

For further details, please see Section 7.5 where the risks specific to the limousine rental and airport shuttle bus service are set out.

(c) **Equity Security Investments**

Apart from the above two principal business segments, the Wah Nam International Group also invests in equity and other securities from time to time.

As at the date of this Bidder's Statement, the Wah Nam International Group held the following investments:

- 32,347,405 (22.63%) Brockman Resources Shares; and
- 40,934,400 (19.90%) FerrAus Shares.

These equity security investments were made for strategic purposes.

3.4 Material Transactions

Set out below are some material corporate transactions entered into by Wah Nam International.

- On 15 May 2007, Wah Nam International raised approximately HK\$40.3 million for general working capital.
- On 13 June 2007, Wah Nam International entered into an agreement to acquire the entire issued share capital of Perryville Group Limited, a limousine rental and airport shuttle transportation services company, for HK\$170 million paid in cash and a convertible note.
- On 16 October 2007, Wah Nam International raised approximately HK\$37.4 million for general working capital and as part of the consideration for the acquisition of Perryville Group Limited.
- On 30 January 2008, Wah Nam International entered into an agreement to acquire the entire equity interest of Smart Year, for HK\$650 million paid in cash, shares and a convertible note.
- On 6 June 2008, Wah Nam International entered into an agreement to dispose of its entire interests in a company which owned the management and operating rights of a toll road in the PRC, for HK\$60 million.
- On 1 September 2008, Wah Nam International raised approximately HK\$119 million for general working capital and as part of the consideration for the acquisition of Smart Year and other mineral related investments.

- On 17 June 2009, Wah Nam International raised approximately HK\$99.18 million for potential acquisitions or investment opportunities in mineral related businesses.
- On 24 June and 29 June 2009, Wah Nam International announced on-market acquisitions of 18,159,256 Brockman Resources Shares for approximately HK\$121.79 million.
- On 9 February 2010, Wah Nam International raised approximately HK\$297 million for potential acquisitions or investment opportunities in mineral related businesses.
- On 18 February and 1 March 2010, Wah Nam International announced the acquisition of 9,509,486 Brockman Resources Shares for approximately HK\$196.41 million.
- On 19 June 2010, Wah Nam International raised approximately HK\$199 million for potential acquisitions or investment opportunities in mineral related businesses.
- On 22 June 2010, Wah Nam International subscribed for 25,047,939 FerrAus Shares for approximately HK\$147 million.
- On 17 September 2010, Wah Nam International raised approximately HK\$200 million, after costs, for potential acquisitions or investment opportunities in mineral related businesses and to cover transactional costs.

3.5 Financial Information regarding Wah Nam International

The table below is an abridged consolidated balance sheet of Wah Nam International as at 31 December 2008 and 2009 and 30 June 2010.

	30 June 2010 HK\$ '000 Unaudited	31 December 2009 HK\$ '000 Audited	31 December 2008 HK\$ '000 Audited
Current assets	180,505	59,936	91,008
Non-current assets	1,659,669	1,405,684	1,146,554
Total assets	1,840,174	1,465,620	1,237,562
Current liabilities	101,296	96,853	82,850
Non-current liabilities	100,256	150,186	296,657
Total liabilities	201,552	247,039	379,507
Capital and reserves			
Share capital	372,944	278,226	151,534
Reserves	1,184,842	844,930	610,018
Equity attributable to equity holders of the Company	1,557,786	1,123,156	761,552
Minority interest	80,836	95,425	96,503
Total equity	1,638,662	1,218,581	858,055

The table below sets out a summary of the consolidated results of Wah Nam International for the FY2008, FY2009 and FP2010.

	FP2010 HK\$ '000 Unaudited	FY2009 HK\$ '000 Audited	FY2008 HK\$ '000 Audited
Revenue from continuing operations	55,189	95,374	88,837
Loss for the period/year	(173,002)	(80,004)	(282,462)
Other comprehensive income/(loss):			
Exchange differences arising on translation of foreign operations	11,403	(285)	4,165
Change in fair value on available-for-sale investments, net of tax	(35)	133,644	-
Reserve released upon disposal of subsidiaries	-	-	(32,214)
Total comprehensive income/(loss) for the period/year	(161,634)	53,355	(310,511)
Loss for the period/year attributable to:			
Equity holders of the Company	(157,363)	(78,935)	(296,660)
Minority interests	(15,639)	(1,069)	14,198
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	(147,045)	54,433	(323,807)
Minority interests	(14,589)	(1,078)	13,296

The table below sets out a summary of the business segment results of Wah Nam International for the FY2008, FY2009 and FP2010.

	Business Segment	FP2010 HK\$'000	FY2009 HK\$'000	FY2008 HK\$'000
Revenue	Limousine Rental Services	44,885	65,580	71,326
	Airport Shuttle Bus Services	6,889	14,993	15,854
	Mining Operation	3,415	14,801	1,657
Segment Results (*)	Limousine Rental Services	1,741	(38,492)	(118,525)
	Airport Shuttle Bus Services	588	1,679	(7,419)
	Mining Operation	(156,400)	(10,824)	(173,501)

(*) Segment results exclude finance cost, income tax of accounting, and unallocated income and expenses.

Since 2008, Wah Nam International has been re-engineering its business structure and development strategy. In 2008, Wah Nam International disposed of its previous toll road and highway business. Under the re-engineering exercise, Wah Nam International Group's business has gradually changed from a toll road and highway business to a mining business. The business re-engineering has caused significant fluctuations in the financial performance of the Wah Nam International Group for the past two and a half years.

Apart from the acquisition of Luchun Xingtai, Wah Nam International also acquired Brockman Resources Shares and FerrAus Shares as a strategic investment. As at 30 June 2010, Wah Nam International had total consolidated segment assets of HK\$884.9 million in respect of its mining operation.

Six month period ended 30 June 2010

Wah Nam Australia acquired a further 9,093,874 Brockman Resources Shares and 30,201,575 FerrAus Shares for a total consideration of approximately A\$28.0 million and A\$26.2 million respectively.

An impairment loss on the valuation of the mining right was recorded during the period which amounted to approximately HK\$153 million. An impairment was made to the fair value of the mine as a result of the adjustment of the long-term copper price projection. Such impairment loss, however, did not have any impact on the operating cash flow of the Wah Nam International Group.

In addition, Wah Nam International issued 334 million and 185 million new Wah Nam International Shares at HK\$0.90 and HK\$1.11 per Wah Nam International Share, respectively. The net proceeds after deduction of related expenses from the placement amounted to approximately HK\$297 million and HK\$199 million respectively, and were used for investments in mineral-related business and general working capital during the period.

Year ended 31 December 2009

The Wah Nam International Group recorded a turnover of HK\$14.8 million from its mining operation but recorded a segment loss of approximately HK\$10.8 million. The directors of Wah Nam International believe that the segment loss was mainly due to the relatively low production volume of the mine as the production plan of the mine was delayed due to further exploration work being undertaken. Wah Nam International believes that the production efficiency of the mine will be improved as production volume increases subject to the exploration results and further production planning work.

Wah Nam International also recorded a significant fair value gain of HK\$133.6 million in other comprehensive income, which was mainly attributable to the investments in, and an increase in the trading prices of, Brockman Resources Shares, and the appreciation of Australian dollars against Hong Kong dollars during the year.

Year ended 31 December 2008

Wah Nam International disposed of its toll road and highway business during the year. Among the total revenue of HK\$142.2 million, approximately 37.54% of the revenue was derived from the discontinued toll road and highway business. This segment recorded a profit, before income tax, of HK\$44.95 million for the year. After the disposal, Wah Nam International discontinued the entire toll road and highway business.

The acquisition of the mining business also led to the recognition of a one-off loss of HK\$167.5 million representing the amount of the total consideration for the acquisition in excess of the fair value of the assets and liabilities acquired.

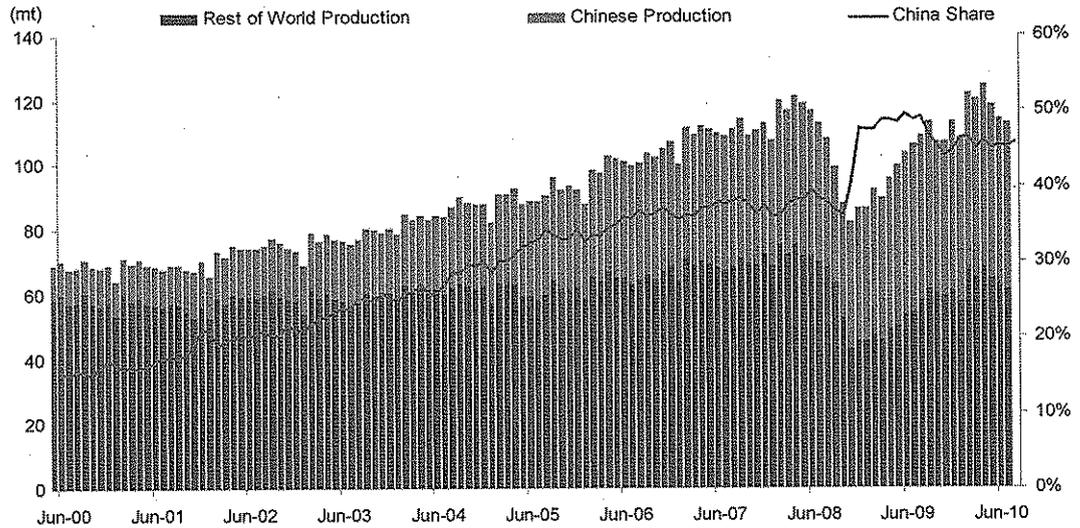
3.6 Strategies

Wah Nam International plans to be a developer of strategic mining assets in politically stable, mineral resource-rich countries. The Offer and the Brockman Resources Offer represent a significant step for Wah Nam International in achieving this plan. If successful, to Wah Nam International's knowledge, it will become the only HKEx listed company developing a significant Australian hematite iron ore deposit.

Over the past two years, Wah Nam International has restructured its business to focus on strategic acquisitions of iron ore projects and, to augment this objective, the development of its copper operation.

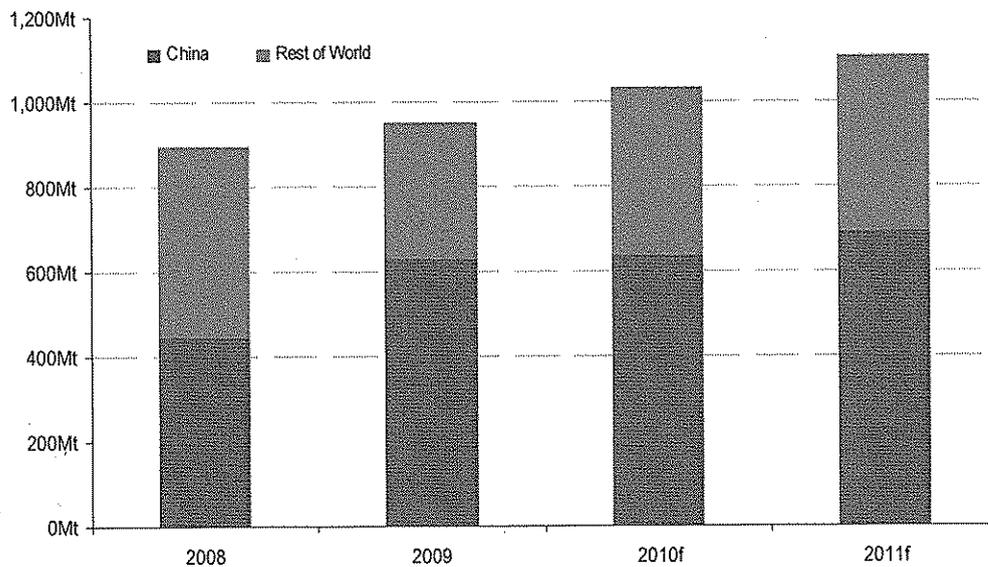
As a result of a recovery in the global economy and the PRC's continued economic growth, world production of steel has significantly recovered from low production levels in 2009 and is now on par with the pre global financial crisis peak reached during 2008 (Figure 6).

Figure 6: World Steel Production



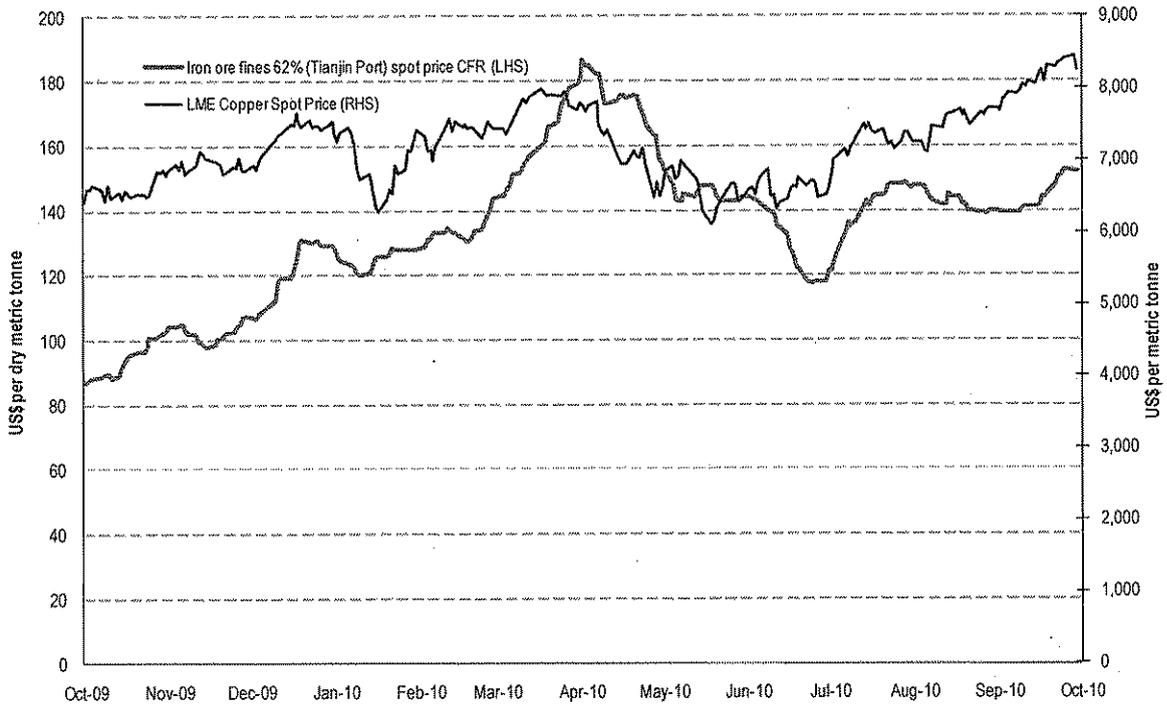
PRC steel production has contributed a significant portion of this growth. Iron ore is a key ingredient in the steelmaking process. Seaborne iron imports are expected to reach one billion tonnes this year, driven by the PRC's market leading share (Figure 7).

Figure 7: Seaborne iron ore trade



As a result of the increased seaborne trade, iron ore prices performed strongly over the past year. Copper prices follow suit as the demand for copper is tied to the same drivers of the demand for steel (Figure 8).

Figure 8: 1 Year Spot Price of iron ore and copper



Wah Nam International owns the Damajianshan Mine, a producing copper mine in the PRC, the world's largest consumer of copper. Wah Nam International will continue to develop the Damajianshan Mine through further exploration in order to delineate and upgrade Mineral Resources and subsequently increase copper metal production of the mine.

Through this Offer and the Brockman Resources Offer, Wah Nam International is seeking to maximise benefits to its current and future shareholders. The new and enlarged Wah Nam International expects to progress its Australian iron ore projects to production and aims to be a significant iron ore producer by global standards. Being listed on one of the world's largest capital markets, the HKEx, should provide Wah Nam International with advantages in securing project finance on favourable terms, to the benefit of Wah Nam International Shareholders.

Following this Offer and the Brockman Resources Offer, Wah Nam International's directors will pursue additional strategic acquisitions in order to realise their plan. It is expected these future assets will continue to enhance shareholder value, above the anticipated benefit provided by the assets of FerrAus and Brockman Resources.

3.7 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 39, has been the Chairman of Wah Nam International since February 2009. Mr Luk holds a Masters Degree 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 Chan Kam Kwan Jason

Mr Chan Kam Kwan Jason, aged 37, joined the Wah Nam International Group in January 2008. He is an executive director and the company secretary. Mr Chan graduated from the University of British Columbia in Canada with a Bachelor of Commerce Degree and is a member of the American Institute of Certified Public Accountants. Mr Chan has experience in accounting and corporate finance.

Mr Lau Kwok Kuen Eddie

Mr Lau Kwok Kuen Eddie, aged 54, 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 Uwe Henke Von Parpart

Mr Uwe Henke Von Parpart, aged 69, 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 Parpart is the managing director at Cantor Fitzgerald in Hong Kong where he is 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 Parpart worked for four years as a senior currency strategist at Bank of America, Hong Kong, covering both currencies and notes. Mr Parpart has also contributed to numerous magazines and newspapers and until recently was a columnist for Forbes Global and Shinchosha Foresight Magazine (Tokyo).

Mr Yip Kwok Cheung Danny

Mr Yip Kwok Cheung Danny, aged 46, 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 he joined Wah Nam International in August 2009. Mr Yip graduated from the Australian National University majoring in Economics and Accountancy. 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.

(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 31, 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 a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr Au-Yeung obtained a Bachelor Degree of Business Administration (Honours) - Accounting from the Hong Kong Baptist University. Mr Au-Yeung has over 9 years experience in auditing, accounting and banking.

Mr Warren Beckwith

Mr Beckwith is a chartered accountant. From 1970 to 1983 he was a partner in international firms of chartered accountants, including from 1974 to 1979 as the senior partner of a predecessor firm of Ernst & Young, Hong Kong.

In 1984, Mr Beckwith established a business consultancy in London and until 1989 provided corporate services to companies operating in the UK, Australia, USA and south east Asia in mining, petroleum and technology development. Mr. Beckwith has held directorships in public companies listed on stock exchanges in Australia, London and Hong Kong and is currently the chairman of Westralian Group Pty Ltd, the chairman of the ASX listed, Gondwana Resources Limited and an independent non-executive director of the HKEx listed, China Properties Group Limited.

Details about the qualifications and experience of Mr Chan and Mr Luk are set out in paragraph 3.7(a) above.

3.8 Key Management

Mr Leung Chi Yan Danny

Mr Leung Chi Yan Danny, aged 62, is the managing director of Parklane Limousine Service Limited which is principally engaged in the provision of limousine and airport shuttle transportation services in Hong Kong. Mr Leung graduated from Newport University of Southern California with a Masters of Business Administration degree. 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 43, joined the Wah Nam International Group in January 2009. He is the Chief Investment Officer of Wah Nam International. Mr Tee graduated from Walsh University, USA, with a Bachelor of Arts Degree. 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.

3.9 Wah Nam International and Wah Nam Australia directors' 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	199,456,276	39,000,000
Mr Chan Kam Kwan Jason	-	1,500,000
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

3.10 Remuneration of Directors

Wah Nam International's Bye-laws provide that the directors' remuneration must not exceed the maximum aggregate sum determined by Wah Nam International in general meeting. Wah Nam International intends to fix a maximum sum of A\$2 million in aggregate for executive directors and A\$1 million in aggregate for non-executive directors, per annum. This sum will be put to Wah Nam International Shareholders at the special general meeting to be held during the Offer Period. Once approved, this maximum sum cannot be increased without members' approval by ordinary resolution at a general meeting.

(a) Remuneration of Non-Executive Directors

In accordance with Wah Nam International's Bye-laws, the non-executive directors are appointed for a term of 2 years subject to retirement by rotation and re-election at the Annual General Meeting.

Each non-executive director is entitled to an annual emolument of HK\$144,000, 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 2010 financial year, each non-executive director will be 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

(b) **Remuneration of Executive Directors**

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

The appointment of Mr Luk Kin Peter Joseph 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 Kin Peter Joseph 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 2009, the total remuneration paid to Mr Luk Kin Peter Joseph amounted to approximately HK\$872,000.

On 1 March 2008, Wah Nam International entered into a service contract with Mr Chan Kam Kwan Jason to govern the appointment of Mr Chan Kam Kwan Jason as a director of Wah Nam International. The appointment of Mr Chan Kam Kwan Jason 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 Kam Kwan Jason 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 2009, the total remuneration paid to Mr Chan Kam Kwan Jason amounted to approximately HK\$600,000.

3.11 Prospectus

Wah Nam International lodged the Prospectus with ASIC on 11 November 2010. The Prospectus includes an IPO of 10 million Wah Nam International Shares, each with 1 free attaching option, at A\$0.20 per Wah Nam International Share to raise A\$2 million with provision to accept oversubscriptions of up to a further 5 million Wah Nam International Shares, each with 1 free attaching option, at A\$0.20 each to raise up to an additional A\$1 million. The minimum subscription for the IPO is 5 million Shares.

The purpose of the IPO is to:

- list Wah Nam International on the ASX, which will provide Wah Nam International with additional financial flexibility to pursue growth opportunities and improve access to capital markets;
- finance the transaction costs incurred by the Wah Nam International Group in connection with the Offer, the Brockman Resources Offer and the IPO;
- provide Australian shareholder spread for Wah Nam International's ASX application; and
- provide a liquid market for Wah Nam International Shares.

The IPO is conditional on:

- the ASX granting conditional approval for the listing of Wah Nam International and the quotation of all Wah Nam International Shares and Wah Nam International Options on the ASX;
- the HKEx granting approval for the quotation of the Wah Nam International Shares to be issued pursuant to the IPO and the Shares issued upon exercise of the Wah Nam International Options; and
- Wah Nam International Shareholders approving the IPO at the special general meeting of Wah Nam International to be held before the close of the Offer or the Brockman Resources Offer, whichever is the earlier.

If the conditions of the IPO are not satisfied all application moneys will be returned to investors without interest.

3.12 Placement Mandate

During the Offer Period, Wah Nam International proposes to seek a mandate from Wah Nam International Shareholders for the placement of up to 600 million Placement Shares (**Placement Mandate**).

(a) Placement Mandate Price

The price at which the Placement Shares are to be issued will be equal to or higher than the higher of:

- HK\$1.30; or
- a discount of not more than 30% to the average closing price for the 20 trading days immediately prior to the date of the agreement in respect of the placing of the Placement Shares.

The placement price of HK\$1.30 would represent:

- a discount of approximately 20.2% to the closing price of HK\$1.63 per Wah Nam International Share as quoted on the HKEx on 9 November 2010, being the last full day of trading in Wah Nam International Shares prior to the date of the Original Bidder's Statement; and
- a discount of approximately 22.2% to the average of the closing prices per Wah Nam International Share of HK\$1.67 as quoted on the HKEx for the five consecutive trading days up to and including 9 November 2010, being the last full day of trading in Wah Nam International Shares prior to the date of the Original Bidder's Statement.

The minimum placement price of HK\$1.30 was determined with reference to the prevailing market price and the recent trading volume of Wah Nam International Shares. The actual placement price will be determined based on the above conditions and negotiations between Wah Nam International and the investors under the placement.

Taking into account, among other things, the parameters of determining the placement price, the reasons for the Placement Mandate and the use of proceeds set out below, the Wah Nam International directors (including the independent non-

executive directors) consider that the terms of the Placement Mandate are fair and reasonable based on current market conditions and that the Placement Mandate is in the interests of Wah Nam International and Wah Nam International Shareholders as a whole.

(b) Maximum number of Placement Shares

The 600 million Placement Shares represent:

- approximately 15.4% of the existing issued share capital of Wah Nam International;
- approximately 13.3% of the issued share capital of Wah Nam International as enlarged by the allotment and issue of the Placement Shares; and
- approximately 6.8% of the issued share capital of Wah Nam International as enlarged by:
 - the Placement Shares;
 - Wah Nam International Shares to be issued pursuant to the Prospectus and upon exercise of the Wah Nam International Options;
 - the Consideration Shares (assuming full acceptance of the Offer but no FerrAus optionholder exercising their options and accepting the Offer); and
 - the Brockman Resources Consideration Shares (assuming full acceptance of the Brockman Resources Offer but no Brockman Resources optionholders exercising their options and accepting the Brockman Resources Offer).

(c) Conditions of the Placement Mandate

The Placement Mandate is subject to:

- the Offer and/or the Brockman Resources Offer becoming unconditional;
- the HKEx granting or agreeing to grant listing of and permission to deal in all of the Placement Shares; and
- the passing of necessary resolution(s) by the Wah Nam International Shareholders to approve the Placement Mandate and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Placement Shares.

The Placement Mandate will be valid for a period of six months from the date of either the Offer or the Brockman Resources Offer being declared unconditional.

(d) Rights of the Placement Shares

The Placement Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them. The Placement Shares will rank, upon issue, *pari passu* in all respects with Wah Nam International Shares on issue on the date of allotment and issue of the Placement Shares.

(e) **Use of Proceeds**

If the Placement Mandate is utilised in full, based on a minimum placement price of HK\$1.30 and if 600 million Placement Shares are issued, the maximum gross proceeds would be approximately HK\$780 million, and the estimated net proceeds, after the deduction of commission and other related expenses, is estimated to be approximately HK\$741 million.

It is intended that the net proceeds raised from the placement will be used to support the financing of the capital expenditure required by the Projects. The Combined Group will need to raise funds for the development of the Projects or for other capital expenditure, further exploration or feasibility studies.

Wah Nam International considers that the Placement Mandate will allow Wah Nam International additional flexibility in supporting the development of the Projects after the completion of the Offer and the Brockman Resources Offer.

3.13 Hong Kong Exchange Listing Rule Requirements

The transactions under the Offer, the Brockman Resources Offer and the IPO are 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, which will include obtaining shareholder approval at a general meeting of Wah Nam International, voting by poll.

HKEx Listing Rule 13.36(1) provides that, as the Consideration Shares and the Brockman Resources Consideration Shares will not be issued under a general mandate preapproved by Wah Nam International Shareholders, the issue of the Consideration Shares and the Brockman Resources Consideration Shares is subject to the consent of 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 acquisitions of all of the FerrAus Shares under the Offer and all of the Brockman Resources Shares under the Brockman Resources Offer constitute a very substantial acquisition for Wah Nam International for the purposes of the HKEx Listing Rules. Under HKEx Listing Rule 14.40, a very substantial acquisition must be conditional on approval by Wah Nam International Shareholders.

Pursuant to a letter issued by the HKEx and HKEx Listing Rule 14.67A, if Wah Nam International gains a controlling interest in FerrAus and/or Brockman Resources, Wah Nam International will issue supplementary circulars to Wah Nam International Shareholders as soon as practicable after the closing of the Offer and the Brockman Resources Offer. The purpose of the supplementary circular is to provide Wah Nam International Shareholders with information about FerrAus and/or Brockman Resources which is not currently available but which, it is anticipated will become available to Wah Nam International in the event it becomes a controlling shareholder. No Wah Nam International Shareholder approval is required.

Pursuant to HKEx Listing Rule 14.67A(3) and a waiver granted by the HKEx, Wah Nam International is required to despatch the supplementary circular to Wah Nam International Shareholders within 45 days of the earlier of:

- Wah Nam Australia being able to gain access to the necessary books and records of FerrAus and/or Brockman Resources; and
- Wah Nam Australia being able to exercise control over FerrAus and/or Brockman Resources.

3.14 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 Hong Kong Code on Takeovers and Mergers (the **Takeovers Code**) and, if the Offer is successful, 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 Director of the Corporate Finance Division of the SFC (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:

- 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 Hong Kong 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, e.g. among others, directors of a company, holding company, fellow subsidiaries and associates, financial advisers, 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.

It is also provided that prior to an announcement of a firm intention to make an 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 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 judgements or which are solely at the discretion of the offeror.

3.15 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, if the Offer is successful, 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 this Chapter 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 the 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 connected transactions. 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 or 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 if itself a

party to the transaction, the transaction value if 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 is 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 subject to the tests prescribed under the HKEx Listing Rules maybe 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 with the HKEx. Wah Nam International lodged 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 lodged with the ASX an application for admission to the ASX's Official List and quotation of all Wah Nam International Shares being a date no later than 7 days after the start of the Bid Period.

Wah Nam International's application for admission to quotation on the ASX is subject to:

- Wah Nam International satisfying the ASX Listing Rules or obtaining waivers from them; and
- the ASX's discretion.

Wah Nam International does not guarantee that its application will be successful and is not implying that it will be listed. If the application is not successful, then all contracts resulting from the acceptance of the Offer will be automatically void.

If the application is successful, Wah Nam International will be listed on the ASX as well as maintaining its listing on HKEx. It will be subject to the ASX Listing Rules and the HKEx Listing Rules.

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, the listing of Wah Nam International Shares on the ASX and the quotation of the Consideration Shares on the HKEx, holders of Wah Nam International Shares may shunt (or remove) 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 two 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 two 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 Removal 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 3,907,435,485 Wah Nam International Shares and 75,000,000 Wah Nam International Options on issue. If the Wah Nam International Options are exercised, Wah Nam International's total share capital would be 3,982,435,485 shares. Set out below is a table of all Wah Nam International securities on issue.

Class	Number on issue	Vesting date	Expiry
Ordinary Shares	3,907,435,485		
Scheme Options			
HK\$1.164	4,500,000	18 January 2011	17 January 2014
HK\$1.164	2,250,000	18 January 2012	17 January 2014
HK\$1.164	2,250,000	18 January 2013	17 January 2014
HK\$1.24	27,000,000	11 February 2011	10 February 2014
HK\$2.00	39,000,000	11 November 2010	10 November 2013

As at the date of the Original Bidder's Statement, Wah Nam International has a market capitalisation of approximately HK\$6.4 billion (A\$814.6 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 %
Leading Highway Limited	Cheng Yung Pun	440,500,000	11.27
Shimmer Expert Investments Limited	Zhang Li	279,548,000	7.15
Villas Green Investments Limited	Chong Yee Kwan	257,760,000	6.60
Smartpath Investments Limited	Tan Lini	204,752,000	5.24
Prideful Future Investments Limited and Equity Valley Investments Limited	Luk Kin Peter Joseph and Associates	199,456,276	5.10

4.6 Recent performance of Wah Nam International Shares

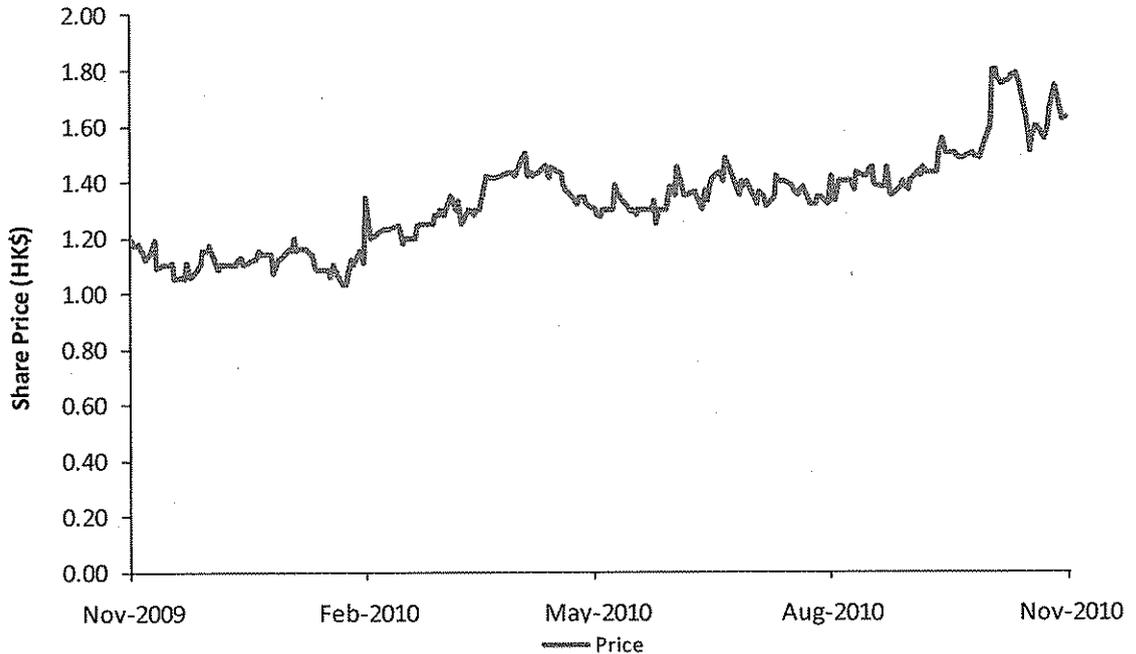
The closing price of Wah Nam International Shares on the HKEx on 9 November 2010 (being the last full trading day before the date of the Original Bidder's Statement) was HK\$1.63 per Wah Nam International Share.

The highest recorded closing price of Wah Nam International Shares on the HKEx in the 4 months before the last trading day before the date of the Original Bidder's Statement was HK\$1.80 per Wah Nam International Share on 12 and 13 October 2010.

The lowest recorded closing price of Wah Nam International Shares on the HKEx in the 4 months before the last trading day before the date of the Original Bidder's Statement was HK\$1.31 per Wah Nam International Share on 16 July 2010.

The following graph sets out the closing prices of Wah Nam International Shares on the HKEx over the 12 months to 9 November 2010.

Figure 9 : Wah Nam International 12 Month Share Price Performance



Please refer to section 7.2(d) 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 Rights and Liabilities of Wah Nam International Shares

The Wah Nam International Shares offered to FerrAus 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 FerrAus 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, which can involve complex questions of law arising from the interaction of the Bye-laws and statutes, common law, the ASX Listing Rules and the HKEx Listing Rules requirements. FerrAus 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 holder of 75 per cent 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 two 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. Wah Nam International Shareholders must be given at least 21 days' notice 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 alternatively
- 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 two or more 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, by proxy constitute a quorum at a general meeting.

(h) Winding up

Wah Nam International may only be wound up by the court or be wound up 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.

4.8 Rights and Liabilities of Wah Nam International Scheme Options

As at the date of this Bidder's Statement, there are a total of 75,000,000 Wah Nam International Scheme Options on issue. All Wah Nam International Scheme Options have been issued pursuant to the Share Option Scheme. A summary of the terms of the Share Option Scheme is set out in Section 12.2.

On 18 January 2010, Wah Nam International issued 9,000,000 Wah Nam International Scheme Options. The exercise price of each of these Wah Nam International Scheme Options is HK\$1.164. Subject to the provisions of the Share Option Scheme, not more than:

- 4,500,000 of these options can be exercised in the period from 18 January 2011 until 17 January 2014;
- 2,250,000 of these options can be exercised in the period from 18 January 2012 until 17 January 2014; and
- 2,250,000 of these options can be exercised in the period from 18 January 2013 until 17 January 2014.

On 11 February 2010, Wah Nam International issued 27,000,000 Wah Nam International Scheme Options. The exercise price of each of these Wah Nam International Scheme Options is HK\$1.24. Subject to the provisions of the Share Option Scheme, these options can be exercised in the period from 11 February 2011 until 10 February 2014.

On 11 November 2010, Wah Nam International issued 39,000,000 Wah Nam International Scheme Options. The exercise price of each of these Wah Nam International Scheme Options is HK\$2.00. Subject to the provisions of the Share Option Scheme, these options can be exercised in the period from 11 November 2010 until 10 November 2013.

All the Wah Nam International Scheme Options will lapse if they have not been exercised by the end of their respective exercise periods.

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 FerrAus

5.1 Disclaimer

The information in this Section 5 concerning FerrAus 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 FerrAus in this Bidder's Statement should not be considered comprehensive.

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

5.2 History and Overview of FerrAus

FerrAus is an ASX-listed Australian iron ore development company with a market capitalisation of approximately A\$174.8 million as at 9 November 2010.

FerrAus was incorporated on 6 July 2001 as Metals Quest Australia Limited for the purpose of compiling a portfolio of gold and base metals projects for exploration. On 10 November 2003, the company changed its name to NiQuest Limited. On 21 December 2005, following the acquisition of its current iron ore projects the company changed its name to FerrAus Limited. FerrAus' main focus is the development of the FerrAus Pilbara Project.

5.3 Overview of FerrAus' Projects

(a) FerrAus Pilbara Project

Background

The FerrAus Pilbara Project is located northwest of Robertson Range and 35 kilometres east of BHP's mining operations and rail infrastructure at Jimblebar. The FerrAus Pilbara Project is a combination of the Davidson Creek Iron Ore Project, the Robertson Range Iron Ore Project and the Murramunda Iron Ore Project.

Highlights

- Completion of a pre-feasibility study.
- Maiden Ore Reserve of 126 million tonnes.
- Definitive feasibility study due for completion by early 2011.

Resources

The JORC Code compliant Probable Ore Reserve at the FerrAus Pilbara Project totals 126 million tonnes, with 95 million tonnes at Davidson Creek and 31 million tonnes at Robertson Range.

Table 3: Ore Reserve at FerrAus Pilbara Project

Area	Resource Classification	Tonnes (Mt)	Fe (%)	Al2O3 (%)	SiO2 (%)	P (%)	LOI (%)
Davidson Creek	Probable	95.0	57.0	3.3	5.5	0.1	8.9
Robertson Range	Probable	31.0	58.1	3.1	5.5	0.1	7.4
TOTAL		126.0	57.3	3.2	5.5	0.1	8.5

Project Development

On 24 February 2010, FerrAus completed a positive scoping study on the FerrAus Pilbara Project and as a result, commenced the pre-feasibility study.

The pre-feasibility study was completed on 15 November 2010 and FerrAus aims to complete a definitive feasibility study by early 2011. In addition to the definitive feasibility study, FerrAus' core activities include optimising the mine plan, and reducing capital and operating costs in preparation of finalising a definitive feasibility study.

Port and rail infrastructure

The development and success of the FerrAus Pilbara Project is heavily dependent on access to rail and port infrastructure to economically transport the ore to future customers. For port infrastructure, FerrAus has partnered with Brockman Resources and Atlas Iron Limited to form the NWIOA, a group that has secured the rights to construct a 50 million tonnes per annum berth at Port Hedland. The NWIOA has also been successful with regard to progressing rail infrastructure access, with the ACCC granting NWIOA interim authorisation to engage in collective negotiations with the providers of rail infrastructure in the Pilbara region.

The two rail infrastructure options available to FerrAus are:

- the construction of a spur line to, and negotiation of haulage on, BHP's rail infrastructure; and
- the construction of a spur line to, and negotiation of access to or haulage on, FMG's rail infrastructure

(b) **Enachedong**

Enachedong is located approximately 200 kilometres north east of Newman and 60 kilometres south of the manganese mining operation at Woodie Woodie, Western Australia. The project is prospective for manganese mineralisation.

5.4 Directors and senior managers

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

- Mr Robert James Sydney Greenslade (Non-Executive Director);
- Mr John Anthony Nyvlt (Chairman);
- Mr James Arthur Wall (Non-Executive Director);

- Mr Joe Singer (Non-Executive Director);
- Mr Bryan Oliver (Executive Director); and
- Mr Guoping Liu (Non-Executive Director).

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

- Mr Christopher Hunt (Chief Financial Officer and Company Secretary); and
- Mr Peter Brookes (Exploration Manager).

5.5 FerrAus securities on issue

(a) Issued Capital

According to documents provided by FerrAus to the ASX, as at the date of this Bidder's Statement, FerrAus' issued securities consisted of:

Class	Number on issue	Expiry
Ordinary Shares	205,700,890	
Options		
A\$0.25	3,000,000	17 March 2011
A\$0.40	200,000	07 June 2011
A\$0.75	50,000	13 October 2013
A\$1.35	400,000	08 November 2012
A\$1.15	1,200,000	31 December 2011
A\$1.25	75,000	2 November 2013
A\$1.00	50,000	2 November 2013
A\$1.00	200,000	27 April 2012
A\$1.00	300,000	28 April 2011
A\$1.00	500,000	06 September 2013
Performance Shares Class B	7,500,000	

(b) Substantial shareholders

Based on substantial holder notices lodged with the ASX up to and including 9 November 2010, the substantial shareholders in FerrAus are as follows:

Shareholder	FerrAus Shares	Percent (%)
Wah Nam Australia	40,319,648	19.90
Joe Singer / John Anthony Nyvlt / Penfold Limited	23,756,470	11.72

China Railway Materials Commercial Corporation	25,946,417	12.61
Western Mining Co Ltd	15,145,892	7.47

5.6 Dealings in FerrAus Shares

(a) Wah Nam Australia's 19.90% Relevant Interest in FerrAus Shares and voting power

As at the date immediately before the first Offer was sent, Wah Nam Australia had a Relevant Interest in 40,934,400 FerrAus Shares, giving it 19.90% of the total voting power in FerrAus.

(b) Prices paid for FerrAus Shares by Wah Nam Australia

Except as set out below, during the 4 months before the date of the Offer, neither Wah Nam Australia nor any Associate of Wah Nam Australia provided, or agreed to provide, consideration for a FerrAus Share under a purchase or agreement.

Date of purchase	No. of FerrAus Shares	Average Price per FerrAus Share paid by Wah Nam Iron Ore A\$
5 August 2010	16,000	0.820
6 August 2010	100,890	0.835
9 August 2010	93,060	0.855
10 August 2010	741,911	0.840
11 August 2010	97,752	0.820
12 August 2010	119,210	0.800
13 August 2010	457,435	0.800
23 August 2010	617,110	0.757
24 August 2010	91,854	0.760
26 August 2010	100,000	0.750
30 August 2010	72,675	0.743
13 September 2010	340,437	0.799
14 September 2010	994,350	0.800
15 September 2010	846,510	0.797
16 September 2010	754,458	0.849
17 September 2010	470,476	0.847
20 September 2010	165,100	0.849
21 September 2010	12,000	0.840

22 September 2010	672,188	0.850
21 October 2010	227,752	0.770
25 October 2010	387,000	0.790

(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 FerrAus Shares,

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

5.7 FerrAus Balance Sheet

The table below is a consolidated statement of financial position of FerrAus as at 30 June 2009 and 30 June 2010.

	30 June 2010 A\$	30 June 2009 A\$
ASSETS		
Current assets		
Cash and cash equivalents	29,612,090	14,568,574
Trade and other receivables	1,411,256	193,741
Other current assets	16,954	13,389
Total Current Assets	31,040,300	14,775,704
Non-current assets		
Property, plant and equipment	1,967,775	2,087,457
Exploration and evaluation assets	55,239,513	41,544,076
Total Non-Current Assets	57,207,288	43,631,533
TOTAL ASSETS	88,247,588	58,407,237
LIABILITIES		
Current Liabilities		
Trade and other payables	3,217,925	698,439
Short-term provisions	132,699	126,361
Total Current Liabilities	3,350,624	824,800
Non-current liabilities		
Long-term provisions	11,173	4,732
Total Non-Current Liabilities	11,173	4,732
TOTAL LIABILITIES	3,361,797	829,532
NET ASSETS	84,885,791	57,577,705
EQUITY		
Issued capital	98,595,731	63,271,371
Reserves	2,976,392	2,702,745

Retained earnings	(16,686,332)	(8,396,411)
TOTAL EQUITY	84,885,791	57,577,705

6. The Combined Group

6.1 Approach

This Section 6 provides an overview of the profile of the Combined Group, in the various scenarios following the Offer and the Brockman Resources Offer and the effect of the Offer and the Brockman Resources Offer on Wah Nam International.

6.2 The Brockman Resources Offer

On 10 November 2010, Wah Nam Australia announced its intention to make an off-market takeover offer for all the ordinary shares in Brockman Resources.

Brockman Resources is a company which also has interests in iron ore exploration projects in the Pilbara region of Western Australia. Wah Nam Australia believes, if the Brockman Resources Offer is successful, that the Brockman Resources business will further Wah Nam Australia's strategy to become a developer of strategic mining assets in politically stable, mineral resource-rich countries and will strengthen the Combined Group's interest in iron ore exploration projects in the Pilbara region of Western Australia.

The takeover bid for Brockman Resources is the subject of a bidder's statement which was lodged by Wah Nam Australia with ASIC on or about the date of this Bidder's Statement.

The Brockman Resources Offer implies a value of approximately A\$6.47 per Brockman Resources Share and represents a premium of 42.8% to the closing price of Brockman Resources Shares on the day before the Brockman Resources announcement date.

The Brockman Resources Offer and the Offer are not interconditional. This means that the Offer will not be affected by the success or otherwise of the Brockman Resources Offer.

The Brockman Resources Offer is subject to similar conditions to the Offer, including, among others:

- approval of the requisite majority of Wah Nam International Shareholders to acquire all of the Brockman Resources Shares not already owned by Wah Nam Australia and to allot and issue the Brockman Resources Consideration Shares;
- approval of the HKEx for the quotation of the Brockman Resources Consideration Shares;
- approval of the ASX for Wah Nam International to be admitted to the ASX and the quotation of Wah Nam International Shares on the ASX; and
- at the end of the Offer Period, Wah Nam Australia having a Relevant Interest in more than 50% of the Brockman Resources Shares.

Wah Nam Australia may declare the Brockman Resources Offer free from the minimum acceptance condition in accordance with the Corporations Act.

6.3 Disclaimer

The information in Sections 6.4 and 6.5 concerning Brockman Resources 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 Resources in this Bidder's Statement should not be considered comprehensive.

6.4 Profile of Brockman Resources

Brockman Resources is an ASX-listed Australian iron ore development company with a market capitalisation of approximately A\$647.4 million as at 9 November 2010.

Brockman Resources 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 Resources' main focus is the development of the Marillana Project.

6.5 Overview of Brockman Resources' Projects

(a) Marillana Project

Background

The Marillana Project is Brockman Resources' principal project and is located in the Hamersley Iron Province 100 kilometres north west of Newman. The Marillana Project covers an area of 96 square kilometres and is held by a wholly owned Subsidiary of Brockman Resources. Brockman Resources has reported that the Marillana Project contains a JORC Code compliant Ore Resource of 1,001.2 million tonnes of detrital ore grading 42.36% Fe, and 48.5 million tonnes of channel iron deposit ore grading 55.5% Fe.

Highlights

- Completion of a definitive feasibility study.
- Environmental scoping document completed and public review period closed.
- After the execution of Native Title mining agreements in December 2009, the mining lease was granted for the Marillana Project in January 2010.
- Successful metallurgical test work confirmed the technical viability of beneficiating the Marillana Project's detrital hematite resource to final product iron grade range of 60.5%-61.5%.

Reserves

The JORC Code compliant Ore Reserve at the Marillana Project totals 1,049.7 million tonnes, with 1,001.2 million tonnes of detrital ore (Table 4) and 48.5 million tonnes of direct shipping ore (Table 5).

Table 4: Marillana Detrital Ore Reserves

Reserve Classification	Tonnes (Mt)	Fe (%)
Proven	133.2	41.55
Probable	868.0	42.48
TOTAL	1,001.2	42.36

Table 5: Marillana CID Ore Reserves

Reserve Classification	Tonnes (Mt)	Fe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	P (%)	LOI (%)
Probable	48.5	55.5	3.7	5.3	0.09	9.7
TOTAL	48.5	55.5	3.7	5.3	0.09	9.7

Project Development

The Brockman Resources board decided to progress the Marillana Project as a long-life operation to achieve economies of scale. In December 2008, Brockman Resources contracted Ausenco Ltd for the purposes of completing a pre-feasibility study on the development of the Marillana Project. The pre-feasibility study was completed and announced to the market on 10 August 2009 and confirmed the technical and financial robustness of a conventional mining and processing operation at the Marillana Project.

As a result of the positive pre-feasibility study, a definitive feasibility study for the Marillana Project commenced in September 2009 and was completed and announced to the market on 29 September 2010. On 3 December 2010, Brockman Resources announced that it had awarded a key contract for design and construction of the Project to UGL Resources Pty Ltd.

Port and rail infrastructure required to progress development of the Marillana Project

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.

For port infrastructure, Brockman Resources has partnered with FerrAus and Atlas Iron Limited to form the NWIOA, a group that has secured the rights to construct a 50 million tonnes per annum berth at Port Hedland. The NWIOA has also been successful with regard to progressing rail infrastructure access, with the ACCC granting NWIOA interim authorisation to engage in collective negotiations with the providers of rail infrastructure in the Pilbara region.

Rail infrastructure options available to Brockman Resources are:

- the negotiation of haulage on BHP's rail infrastructure;
- the construction of a spur line to, and negotiation of access to or haulage on, FMG's rail infrastructure; and

- the construction of an independent, 'end-to-end' rail line.

(b) **Other iron ore projects**

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

(c) **Other projects**

Irwin-Coglia Nickel-Cobalt Laterite Project

Brockman Resources 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.

6.6 Profile of Combined Group

If the Offer is successful, FerrAus Shareholders will receive Wah Nam International Shares in exchange for their FerrAus Shares. Similarly, if the Brockman Resources Offer is successful, Brockman Resources Shareholders will receive Wah Nam International Shares in exchange for their Brockman Resources Shares. On completion of the Offer and the Brockman Resources Offer, if Wah Nam Australia is successful in gaining effective control of Brockman Resources and/or FerrAus, all Wah Nam International Shareholders (including FerrAus Shareholders who have accepted the Offer and Brockman Resources Shareholders who have accepted the Brockman Resources Offer) will be Wah Nam International Shareholders in the Combined Group.

The proposed merger of Wah Nam International, FerrAus and/or Brockman Resources will combine highly complementary asset portfolios, market positions, management teams and technical skill sets. Wah Nam International and FerrAus and/or Brockman Resources will continue their current business strategies and operations from within the Combined Group.

6.7 Operations of the Combined Group

The Combined Group may consist of:

- Wah Nam International's and FerrAus' combined business with no effective control interest in Brockman Resources; or
- Wah Nam International's and Brockman Resources' combined businesses with no effective control interest in FerrAus; or
- Wah Nam International's, Brockman Resources' and FerrAus' combined businesses.

6.8 Effect of the acquisitions on Wah Nam International

(a) General effect of acquisitions

Wah Nam International plans to be a developer of strategic mining assets in politically stable, mineral resource-rich countries. The Offer and the Brockman Resources Offer represent a significant step for Wah Nam International in achieving this plan. If the Offer and the Brockman Resources Offer are successful, to Wah Nam International's knowledge, it will be the only HKEx listed company developing a significant Australian hematite iron ore deposit.

(b) Effect of acquisitions on Wah Nam International's capital structure

If the IPO is oversubscribed and the Offer and the Brockman Resources Offer are accepted by all FerrAus Shareholders and Brockman Resources Shareholders, based on the number of Wah Nam International Shares, FerrAus Shares and Brockman Resources Shares on issue as at the date of this Bidders' Statement, Wah Nam International will have 8,229,506,805 fully paid shares on issue, of which:

- 988,598,940 (representing approximately 12.0% of the total fully paid ordinary shares on issue following the IPO being oversubscribed, 100% acceptance of the Offer and the Brockman Resources Offer) will represent shares issued to accepting FerrAus Shareholders; and
- 3,318,472,380 (representing approximately 40.3% of the total fully paid ordinary shares on issue following the IPO being oversubscribed, 100% acceptance of the Offer and the Brockman Resources Offer) will represent shares issued to accepting Brockman Resources Shareholders.

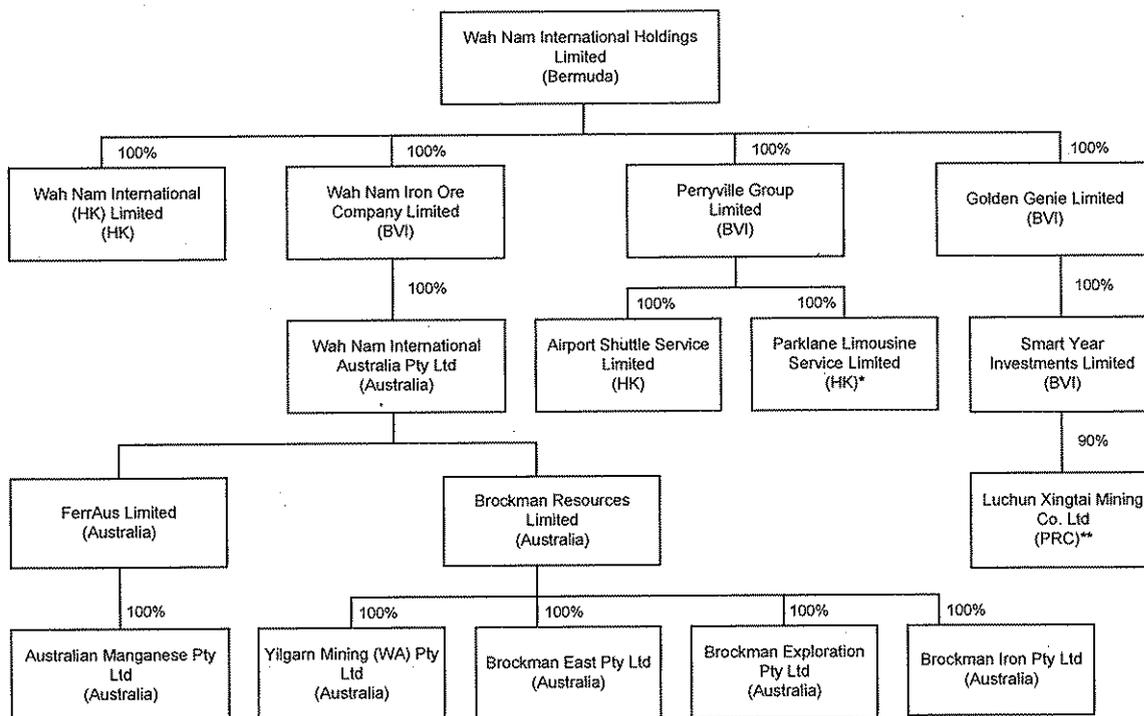
Further, if all holders of:

- ~~FerrAus options were to exercise their options and subsequently accept the Offer for their FerrAus Shares; and~~
- Brockman Resources options were to exercise their options and subsequently accept the Brockman Resources Offer for their Brockman Resources Shares,

Wah Nam International will have 8,454,056,805 fully paid ordinary shares on issue, of which:

- 1,024,448,940 (representing approximately 12.1% of the total fully paid ordinary shares on issue following the IPO being oversubscribed, 100% acceptance of the Offer and the Brockman Resources Offer) will represent shares issued to accepting FerrAus Shareholders; and
- 3,507,172,380 (representing approximately 41.5% of the total fully paid ordinary shares on issue following the IPO being oversubscribed, 100% acceptance of the Offer and the Brockman Resources Offer) will represent shares issued to accepting Brockman Resources Shareholders.

6.9 Corporate Structure of the Combined Group where Wah Nam Australia gains effective control of both FerrAus and Brockman Resources



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

6.10 Pro-forma historical 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, FerrAus and Brockman Resources in various scenarios. 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.

The Combined Group financial information has been prepared for the following scenarios:

- the IPO is oversubscribed and FerrAus becomes a wholly-owned Subsidiary of Wah Nam International following completion of the Offer and completion of the Brockman Resources Offer;
- the IPO is oversubscribed and FerrAus and Brockman Resources become wholly-owned Subsidiaries of Wah Nam International following completion of the Offer and completion of the Brockman Resources Offer; and
- the IPO is oversubscribed, Wah Nam International achieves 35% of FerrAus and Brockman Resources becomes a wholly-owned Subsidiary of Wah Nam International following completion of the Offer and the Brockman Resources Offer.

6.11 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 FerrAus and Brockman Resources as at 30 June 2010 after adjustment for the actual and assumed transactions set out in Section 6.13.

The unaudited and audited historical financial information has been prepared by each of Wah Nam International, FerrAus and Brockman Resources 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 2010, other than as described in Section 6.13. 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 and the Brockman Resources Offer complete. The pro-forma does not include the impact of Western Australian stamp duty that arises following the acquisition of at least 90% of a listed company that is considered to be land rich. The calculation of this amount accurately would require access to additional information which would only be available following completion.

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

6.12 ~~Pro-forma unaudited consolidated balance sheet as at 30 June 2010~~

(a) **The IPO is oversubscribed and FerrAus becomes a wholly-owned Subsidiary of Wah Nam International following completion of the Offer and completion of the Brockman Resources Offer**

	Wah Nam as at 30 Jun 2010	Subsequent events	Acquisition of FRS as at 30 Jun 2010	Pro-forma Adjustments	Pro-forma Enlarged Group as at 30 Jun 2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Mining right	835,671	-	-	-	835,671
Property, plant and equipment	83,552	-	15,349	-	98,901
Exploration and evaluation assets	-	-	430,868	-	430,868
Goodwill	11,405	-	-	-	11,405
Intangible asset ¹	12,018	-	-	1,351,670	1,363,688
Available-for-sale investments ²	707,689	706,669	-	(271,395)	1,142,963
Deferred income tax assets	337	-	-	-	337
Other non-current assets	8,997	-	-	-	8,997
	1,659,669	706,669	446,217	1,080,275	3,892,830
Current assets					

Inventories	8,590	-	-	-	8,590
Trade receivables	26,530	-	233	-	26,763
Other receivables, deposits and prepayments	10,781	-	10,907	-	21,688
Amount due from a related party	1,783	-	-	-	1,783
Financial assets at fair value through profit or loss	3,187	-	-	-	3,187
Restricted cash	5,200	-	-	-	5,200
Cash and cash equivalents ³	124,434	9,146	230,974	130	364,684
	180,505	9,146	242,114	130	431,895
Current liabilities					
Trade payables	9,195	-	14,888	-	24,083
Other payables and accrued charges	39,542	-	11,247	-	50,789
Amounts due to related companies	7,107	-	-	-	7,107
Bank borrowings due within one year	43,241	-	-	-	43,241
Obligations under finance leases	2,211	-	-	-	2,211
	101,296	-	26,135	-	127,431
Net current assets	79,209	9,146	215,979	130	304,464
Total assets less current liabilities	1,738,878	715,815	662,196	1,080,405	4,197,294
Capital and reserves					
Share capital ⁴	372,944	17,800	769,047	(664,172)	495,619
Reserves ⁵	1,184,842	698,015	(106,938)	1,744,577	3,520,496
Equity attributable to equity holders of the Company	1,557,786	715,815	662,109	1,080,405	4,016,115
Minority interest					
	80,836	-	-	-	80,836
Total equity	1,638,622	715,815	662,109	1,080,405	4,096,951
Non-current liabilities					
Obligations under finance leases	1,612	-	-	-	1,612
Amount due to a related party	28,745	-	-	-	28,745
Convertible notes	-	-	-	-	-
Deferred income tax liabilities	69,422	-	-	-	69,422
Provisions	477	-	87	-	564
	100,256	-	87	-	100,343
	1,738,878	715,815	662,196	1,080,405	4,197,294

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 1. INTANGIBLE ASSET		
Intangible asset	12,018	1,363,688

Adjustments arising in the preparation of the pro-forma intangible asset balance are summarised as follows:

Reviewed balance at 30 June 2010	12,018
Pro-forma adjustments:	
Intangible asset recognised on 100% acquisition of FerrAus	<u>1,351,670</u>
Pro-forma Balance	1,363,688

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 2. AVAILABLE-FOR-SALE INVESTMENTS		
Available-for-sale investments	<u>707,689</u>	<u>1,142,963</u>

Adjustments arising in the preparation of the pro-forma available-for-sale investments are summarised as follows:

Reviewed balance at 30 June 2010		707,689
Subsequent Events:		
Purchase of securities in Brockman Resources & FerrAus	191,460	
Fair value gain on Available-for-sale Investments to 9 November 2010	<u>515,209</u>	706,669
Pro-forma adjustments:		
Elimination of Available-for-sale Investment in FerrAus		<u>(271,395)</u>
Pro-forma Balance		1,142,963

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 3. CASH & CASH EQUIVALENTS		
Cash and cash equivalents	<u>124,434</u>	<u>364,684</u>

Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:

Reviewed balance at 30 June 2010		124,434
Subsequent Events:		
Purchase of securities in Brockman Resources & FerrAus	(191,460)	
Hong Kong Placement of 178,000,000 shares at HK\$1.15 on 17 September 2010	<u>200,606</u>	9,146
Acquisition of FerrAus as at 30 June 2010		230,974
Pro-forma adjustments:		
Transaction costs	(22,100)	
ASX Placement of Wah Nam Australia shares	<u>22,230</u>	130
Pro-forma Balance		364,684

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 4. SHARE CAPITAL		
Share Capital	372,944	495,619

Adjustments arising in the preparation of the pro-forma share capital balance are summarised as follows:

Reviewed balance at 30 June 2010		372,944
Subsequent Events:		
Hong Kong Placement of Wah Nam International shares on 17 September 2010		17,800
Acquisition of FerrAus as at 30 June 2010		769,047
Pro-forma adjustments:		
Elimination of FerrAus Share Capital	(769,047)	
Wah Nam International shares issued to FerrAus shareholders	103,375	
ASX Placement of Wah Nam Australia shares	1,500	(664,172)
Pro-forma Balance		495,619

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 5. RESERVES		
Reserves	1,184,842	3,520,496

Adjustments arising in the preparation of the pro-forma reserves balance are summarised as follows:

Reviewed balance at 30 June 2010		1,184,842
Subsequent Events:		
Hong Kong Placement of Wah Nam International Shares on 17 September 2010	182,806	
Fair value gain on Available-for-sale Investments to 9 November 2010	515,209	698,015
Acquisition of FerrAus as at 30 June 2010		(106,938)
Pro-forma adjustments:		
Elimination of FerrAus Share Capital	106,938	
Wah Nam International shares issued to FerrAus shareholders	1,639,009	
Transaction costs	(22,100)	
ASX Placement of Wah Nam Australia shares	20,730	1,744,577
Pro-forma Balance		3,520,496

(b) **The IPO is oversubscribed and FerrAus and Brockman Resources become wholly-owned Subsidiaries of Wah Nam International following completion of the Offer and completion of the Brockman Resources Offer**

	Wah Nam as at 30 Jun 2010	Subsequent events	Acquisition of BRM as at 30 Jun 2010	Acquisition of FRS as at 30 Jun 2010	Pro-forma Adjustments	Pro-forma Enlarged Group as at 30 Jun 2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets						
Mining right	835,671	-	-	-	-	835,671
Property, plant and equipment	83,552	-	2,528	15,349	-	101,429
Exploration and evaluation assets	-	-	-	430,868	-	430,868
Goodwill	11,405	-	-	-	-	11,405
Intangible asset ¹	12,018	-	-	-	7,771,584	7,783,602
Available-for-sale investments ²	707,689	706,669	-	-	(1,414,358)	-
Deferred income tax assets	337	-	-	-	-	337
Other non-current assets	8,997	-	2,406	-	-	11,403
	1,659,669	706,669	4,934	446,217	6,357,226	9,174,715
Current assets						
Inventories	8,590	-	-	-	-	8,590
Trade receivables	26,530	-	-	233	-	26,763
Other receivables, deposits and prepayments	10,781	-	6,111	10,907	-	27,799
Amount due from a related party	1,783	-	-	-	-	1,783
Financial assets at fair value through profit or loss	3,187	-	858	-	-	4,045
Restricted cash	5,200	-	-	-	-	5,200
Cash and cash equivalents ³	124,434	9,146	657,021	230,974	(18,270)	1,003,305
	180,505	9,146	663,990	242,114	(18,270)	1,077,485
Current liabilities						
Trade payables	9,195	-	-	14,888	-	24,083
Other payables and accrued charges	39,542	-	31,232	11,247	-	82,021
Amounts due to related Companies	7,107	-	-	-	-	7,107
Bank borrowings due within one year	43,241	-	-	-	-	43,241
Obligations under finance leases	2,211	-	-	-	-	2,211
	101,296	-	31,232	26,135	-	158,663
Net current assets	79,209	9,146	632,758	215,979	(18,270)	918,822
Total assets less current liabilities	1,738,878	715,815	637,692	662,196	6,338,956	10,093,537
Capital and reserves						
Share capital ⁴	372,944	17,800	1,003,395	769,047	(1,316,700)	846,486
Reserves ⁵	1,184,842	698,015	(366,479)	(106,938)	7,655,656	9,065,096
Equity attributable to equity holders of the Company	1,557,786	715,815	636,916	662,109	6,338,956	9,911,582
Minority interest	80,836	-	-	-	-	80,836

Total equity	1,638,622	715,815	636,916	662,109	6,338,956	9,992,418
Non-current liabilities						
Obligations under finance leases	1,612	-	-	-	-	1,612
Amount due to a related party	28,745	-	-	-	-	28,745
Convertible notes	-	-	-	-	-	-
Deferred income tax liabilities	69,422	-	-	-	-	69,422
Provisions	477	-	776	87	-	1,340
	100,256	-	776	87	-	101,119
	1,738,878	715,815	637,692	662,196	6,338,956	10,093,537

NOTE 1. INTANGIBLE ASSET

Intangible asset

As at 30 June 2010	Pro-forma After Issue
HK\$'000	HK\$'000
12,018	7,783,602

Adjustments arising in the preparation of the pro-forma intangible asset balance are summarised as follows:

Reviewed balance at 30 June 2010		12,018
Pro-forma adjustments:		
Intangible asset recognised on 100% acquisition of Brockman Resources	6,419,914	
Intangible asset recognised on 100% acquisition of FerrAus	1,351,670	7,771,584
Pro-forma Balance		7,783,602

NOTE 2. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments

As at 30 June 2010	Pro-forma After Issue
HK\$'000	HK\$'000
707,689	-

Adjustments arising in the preparation of the pro-forma available-for-sale investments are summarised as follows:

Reviewed balance at 30 June 2010		707,689
Subsequent Events:		
Purchase of securities in Brockman Resources & FerrAus	191,460	
Fair value gain on Available for Sale Investments to 9 November 2010	515,209	706,669
Pro-forma adjustments:		
Elimination of Available for Sale Investment in Brockman Resources	(1,142,963)	
Elimination of Available for Sale Investment in FerrAus	(271,395)	(1,414,358)
Pro-forma Balance		-

NOTE 3. CASH & CASH EQUIVALENTS	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
Cash and cash equivalents	124,434	1,003,305

Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:

Reviewed balance at 30 June 2010		124,434
Subsequent Events:		
Purchase of securities in Brockman Resources & FerrAus	(191,460)	
Hong Kong Placement of 178,000,000 shares at HK\$1.15 on 17 September 2010	<u>200,606</u>	9,146
Acquisition of Brockman Resources as at 30 June 2010		657,021
Acquisition of FerrAus as at 30 June 2010		230,974
Pro-forma adjustments:		
Transaction costs	(40,500)	
ASX Placement	<u>22,230</u>	(18,270)
Pro-forma Balance		1,003,305

NOTE 4. SHARE CAPITAL	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
Share Capital	<u>372,944</u>	<u>846,486</u>

Adjustments arising in the preparation of the pro-forma share capital balance are summarised as follows:

Reviewed balance at 30 June 2010		372,944
Subsequent Events:		
Hong Kong Placement of Wah Nam International shares on 17 Sep 2010		17,800
Acquisition of Brockman Resources as at 30 June 2010		1,003,395
Acquisition of FerrAus as at 30 June 2010		769,047
Pro-forma adjustments:		
Elimination of Brockman Resources Share Capital	(1,003,395)	
Elimination of FerrAus Share Capital	(769,047)	
Wah Nam International shares issued to Brockman Resources shareholders	350,867	
Wah Nam International shares issued to FerrAus shareholders	103,375	
ASX Placement of Wah Nam International shares	<u>1,500</u>	(1,316,700)
Pro-forma Balance		846,486

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 5. RESERVES		
Reserves	1,184,842	9,065,096

Adjustments arising in the preparation of the pro-forma reserves balance are summarised as follows:

Reviewed balance at 30 June 2010		1,184,842
Subsequent Events:		
Hong Kong Placement of Wah Nam International Shares on 17 September 2010	182,806	
Fair value gain on Available for Sale Investments to 9 November 2010	515,209	698,015
Acquisition of Brockman Resources as at 30 June 2010		(366,479)
Acquisition of FerrAus as at 30 June 2010		(106,938)
Pro-forma adjustments:		
Elimination of Brockman Resources Share Capital	366,479	
Elimination of FerrAus Share Capital	106,938	
Wah Nam International shares issued to Brockman Resources shareholders	5,563,000	
Wah Nam International shares issued to FerrAus shareholders	1,639,009	
Transaction costs	(40,500)	
ASX Placement of Wah Nam Australia shares	20,730	7,655,656
Pro-forma Balance		9,065,096

(c) **the IPO is oversubscribed, Wah Nam International achieves 35% of FerrAus and Brockman Resources becomes a wholly-owned Subsidiary of Wah Nam International following completion of the Offer and the Brockman Resources Offer**

	Wah Nam as at 30 Jun 2010	Subsequent events	Acquisition of BRM as at 30 Jun 2010	Pro-forma Adjustments	Pro-forma Enlarged Group as at 30 Jun 2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Mining right	835,671	-	-	-	835,671
Property, plant and equipment	83,552	-	2,528	-	86,080
Exploration and evaluation assets	-	-	-	-	-
Goodwill	11,405	-	-	-	11,405
Intangible asset ¹	12,018	-	-	6,419,914	6,431,932
Investments accounted for using the equity method ²				612,149	612,149

Available-for-sale investments ³	707,689	706,669		(1,414,358)	-
Deferred income tax assets	337	-		-	337
Other non-current assets	8,997	-		-	11,403
			2,406		
	1,659,669	706,669	4,934	5,617,705	7,988,977
Current assets					
Inventories	8,590	-	-	-	8,590
Trade receivables	26,530	-	-	-	26,530
Other receivables, deposits and prepayments	10,781	-	6,111	-	16,892
Amount due from a related party	1,783	-	-	-	1,783
Financial assets at fair value through profit or loss	3,187	-	858	-	4,045
Restricted cash	5,200	-	-	-	5,200
Cash and cash equivalents ⁴	124,434	9,146		(10,670)	779,931
			657,021		
	180,505	9,146	663,990	(10,670)	842,971
Current liabilities					
Trade payables	9,195	-	-	-	9,195
Other payables and accrued charges	39,542	-		-	70,774
			31,232		
Amounts due to related companies	7,107	-	-	-	7,107
Bank borrowings due within one year	43,241	-	-	-	43,241
Obligations under finance leases	2,211	-	-	-	2,211
	101,296	-	31,232	-	132,528
Net current assets	79,209	9,146	632,758	(10,670)	710,443
Total assets less current liabilities	1,738,878	715,815	637,692	5,607,035	8,699,420
Capital and reserves					
Share capital ⁵	372,944	17,800	1,003,395	(616,953)	777,186
Reserves ⁶	1,184,842	698,015		6,223,988	7,740,366
			(366,479)		
Equity attributable to equity holders of the Company	1,557,786	715,815	636,916	5,607,035	8,517,552
Minority interest					
	80,836	-	-	-	80,836
Total equity	1,638,622	715,815	636,916	5,607,035	8,598,388
Non-current liabilities					
Obligations under finance leases	1,612	-	-	-	1,612
Amount due to a related party	28,745	-	-	-	28,745
Convertible notes	-	-	-	-	-
Deferred income tax liabilities	69,422	-	-	-	69,422
Provisions	477	-	776	-	1,253
	100,256	-	776	-	101,032

1,738,878	715,815	637,692	5,607,035	8,699,420
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	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 1. INTANGIBLE ASSET		
Intangible asset	12,018	6,431,932

Adjustments arising in the preparation of the pro-forma intangible asset balance are summarised as follows:

Reviewed balance at 30 June 2010	12,018
Pro-forma adjustments:	
	6,419,914
Pro-forma Balance	6,431,932

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 2. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Investments accounted for using the equity method	-	612,149

Adjustments arising in the preparation of the pro-forma available-for-sale investments are summarised as follows:

Reviewed balance at 30 June 2010	-
Pro-forma adjustments:	
Previously classified as Available for Sale Investment in FerrAus	271,395
Acceptance of FerrAus Share Offer to take holding to 35%	340,754
Pro-forma Balance	612,149

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 3. AVAILABLE-FOR-SALE INVESTMENTS		
Available-for-sale investments	707,689	-

Adjustments arising in the preparation of the pro-forma available-for-sale investments are summarised as follows:

Reviewed balance at 30 June 2010	707,689
Subsequent Events:	
Purchase of securities in Brockman Resources & FerrAus	191,460
Fair value gain on Available for Sale Investments to 9 November 2010	515,209
Pro-forma adjustments:	706,669

Elimination of Available for Sale Investment in Brockman Resources	(1,142,963)	
Elimination of Available for Sale Investment in FerrAus	(271,395)	(1,414,358)
Pro-forma Balance		-

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
Cash and cash equivalents	124,434	779,931

Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:

Reviewed balance at 30 June 2010		124,434
Subsequent Events:		
Purchase of securities in Brockman Resources & FerrAus	(191,460)	
Hong Kong Placement of 178,000,000 shares at HK\$1.15 on 17 September 2010	200,606	9,146
Acquisition of Brockman Resources as at 30 June 2010		657,021
Pro-forma adjustments:		
Transaction costs	(32,900)	
ASX Placement	22,230	(10,670)
Pro-forma Balance		779,931

	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
NOTE 5. SHARE CAPITAL		
Share Capital	372,944	846,486

Adjustments arising in the preparation of the pro-forma share capital balance are summarised as follows:

Reviewed balance at 30 June 2010		372,944
Subsequent Events:		
Hong Kong Placement of Wah Nam International shares on 17 September 2010		17,800
Acquisition of Brockman Resources as at 30 June 2010		1,003,395
Pro-forma adjustments:		
Elimination of Brockman Resources Share Capital	(1,003,395)	
Wah Nam International shares issued to Brockman Resources shareholders	350,867	
Wah Nam International shares issued to FerrAus shareholders	34,075	
ASX Placement of Wah Nam International shares	1,500	(616,953)
Pro-forma Balance		777,186

NOTE 6. RESERVES	As at 30 June 2010	Pro-forma After Issue
	HK\$'000	HK\$'000
Reserves	1,184,842	7,740,366

Adjustments arising in the preparation of the pro-forma reserves balance are summarised as follows:

Reviewed balance at 30 June 2010		1,184,842
Subsequent Events:		
Hong Kong Placement of Wah Nam International Shares on 17 September 2010	182,806	
Fair value gain on Available for Sale Investments to 9 November 2010	515,209	698,015
Acquisition of Brockman Resources as at 30 June 2010		(366,479)
Pro-forma adjustments:		
Elimination of Brockman Resources Share Capital	366,479	
Wah Nam International shares issued to Brockman Resources shareholders	5,563,000	
Wah Nam International shares issued to FerrAus shareholders	306,679	
Transaction costs	(32,900)	
ASX Placement of Wah Nam Australia shares	20,730	6,223,988
Pro-forma Balance		7,740,366

6.13 Pro-forma assumptions and adjustments

The pro-forma balance sheets post issue under the various scenarios are set out in Section 6.12. These have been prepared based on FerrAus' and Brockman Resources' audited financial statements and Wah Nam International's unaudited financial statements as at 30 June 2010 and the transaction events relating to the issue of Wah Nam International Shares pursuant to the Offer, the Brockman Resources Offer and the Prospectus but not the proposed issue of 600 million Wah Nam International Shares under the Placement Mandate referred to in Section 3.12.

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

- an exchange rate of HK\$7.80 to A\$1.00;
- the value of a Wah Nam International Share being HK\$1.69;
- the issue of 6 Wah Nam International Shares for each FerrAus Share held (and based on 213,225,890 FerrAus Shares) pursuant to the Offer;
- the issue of 30 Wah Nam International Shares for each Brockman Resources Share held (and based on 149,303,151 Brockman Resources Shares) pursuant to the Offer;
- the issue of 15 million Wah Nam International Shares pursuant to the Prospectus at an issue price of A\$0.20, raising A\$3 million before costs;

- costs associated with the issue of Wah Nam International Shares:
 - assuming the IPO is oversubscribed and the Offer and the Brockman Resources Offer are successful, of HK\$40.5 million;
 - assuming the IPO is oversubscribed and the Brockman Resources Offer is successful, of HK\$32.9 million;
 - assuming the IPO is oversubscribed and the Offer is successful, of HK\$22.1 million; and
 - assuming the IPO is oversubscribed and neither the Offer nor the Brockman Resources Offer are successful, of HK\$14.5 million;
- the accounting policies adopted by each company have been applied. Currently FerrAus capitalises exploration and evaluation expenditure whilst Brockman and Wah Nam International do not. As at 30 June 2010 FerrAus has a balance of A\$55.2 million that has been capitalised. After gaining effective control of FerrAus and/or Brockman Resources, Wah Nam International will apply consistent policies across the Combined Group; and
- the balance sheets of FerrAus and Brockman Resources are based on the latest audited financial statements as at 30 June 2010. 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.

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

An intangible asset has been recognised for the excess of the purchase consideration over the net assets of FerrAus and Brockman Resources. Upon control being achieved, a fair value exercise will be conducted whereby this amount will be allocated to the fair value of the assets or to goodwill. It is assumed that this amount is not impaired. Following the fair value assessment once control is gained a deferred tax liability may be recognised, the quantum of this cannot be determined prior to control being obtained.

Adjustment has also been made for the following subsequent events:

- on 17 September 2010, Wah Nam International raised approximately HK\$204.7 million by the issue of 178 million Wah Nam International Shares;
- subsequent to 30 June 2010, Wah Nam International acquired 4,513,900 Brockman Resources Shares for approximately A\$17.25 million;
- subsequent to 30 June 2010, Wah Nam International acquired 10,732,825 FerrAus Shares for approximately A\$8.81 million; and
- a fair value gain of approximately HK\$515 million on financial instruments classified as available-for-sale, being Wah Nam International's shareholding in Brockman Resources and FerrAus.

6.14 Prospects of the Wah Nam International - Brockman Resources - FerrAus Group

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

- 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;
- increased market capitalisation, liquidity and market presence; and
- recognition of the Wah Nam International - Brockman Resources - FerrAus Group's balance sheet, significant multi-mine asset base, cash and access to an expanded range of financing and growth options.

The combination of Wah Nam International's expertise in international capital markets and its debt and equity raising capabilities with that of FerrAus' and Brockman Resources' mining exploration, production and development expertise will enhance the likelihood of the Projects commencing production as scheduled, if not sooner. If Wah Nam International is successful in gaining majority or full control of both FerrAus and Brockman Resources, the benefits to the Wah Nam International - Brockman Resources - FerrAus Group with regards to port infrastructure, rail infrastructure, project financing and marketing of the Projects will include the following:

Port infrastructure

FerrAus and Brockman Resources are members of the NWIOA, which is currently working towards the completion of multi-berth facilities at Port Hedland. In addition to FerrAus and Brockman Resources, Atlas Iron Limited is also a NWIOA member company.

The Wah Nam International - Brockman Resources - FerrAus Group intends to rapidly develop the Projects, which may provide the impetus needed for the NWIOA to proceed with the development of the NWIOA multi-user facility and may improve the merits of the NWIOA as an attractive investment opportunity for strategic and financial institutions. This will allow the NWIOA better access to construction funds to complete the port construction on or before the fourth quarter of 2013.

Rail infrastructure

As separate entities, both FerrAus and Brockman Resources will be relying on either BHP or FMG for access to rail infrastructure, although Brockman Resources has recently indicated that it is working with the Western Australian Government to progress an independent, 'end-to-end' rail option should this be required. As the Wah Nam International - Brockman Resources - FerrAus Group, sharing an independent direct railway to Port Hedland is also an option.

The rail options are outlined below:

- **BHP haulage scenario** - FerrAus and Brockman Resources will each need to negotiate haulage on BHP's rail infrastructure with FerrAus also requiring a spur line to BHP's rail infrastructure. The Wah Nam International -

Brockman Resources - FerrAus Group may be in a better position to negotiate a haulage agreement.

- **FMG haulage scenario** - FerrAus and Brockman Resources will each need to build a railway spur to connect to FMG's rail infrastructure as well as negotiate access to, or haulage on, the infrastructure. The Wah Nam International - Brockman Resources - FerrAus Group may be in a better position to negotiate access or haulage agreements and capital costs for the railway spur could be shared.
- **Independent railway scenario** - FerrAus' and Brockman Resources' forecasted production for the Projects may, under the Wah Nam International - Brockman Resources - FerrAus Group improve the economic viability of the independent, 'end-to-end' railway being studied by Brockman Resources. The Wah Nam International - Brockman Resources - FerrAus Group will be in a better position to fund the significant development costs of this option.

Access to funding

The Wah Nam International - Brockman Resources - FerrAus Group will emerge as a larger company with a larger Mineral Resource and potential annual production capacity than each of the companies individually.

The Wah Nam International - Brockman Resources - FerrAus Group's JORC Code compliant iron ore Mineral Resource currently totals more than 1.8 billion tonnes. With such a large resource inventory, the Wah Nam International - Brockman Resources - FerrAus Group may be able to position itself as a meaningful iron ore producer both in the Pilbara region, and globally. Accordingly, the Wah Nam International - Brockman Resources - FerrAus Group would be in a favourable position to obtain both equity and debt financing from strategic and institutional investors, as well as global financial institutions.

Marketing

The Wah Nam International - Brockman Resources - FerrAus Group will have the capacity to mix final iron ore products from each of the Projects, enhancing its marketing coverage with steel mills. In addition, the higher production levels may place the Wah Nam International - Brockman Resources - FerrAus Group in a stronger position to negotiate off-take agreements than Brockman Resources or FerrAus would be in as separate entities.

Limitation on Prospects

If Wah Nam Australia obtains effective control (but not 100%) of FerrAus and/or Brockman Resources, the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply.

For further details on the prospects of the Wah Nam International - Brockman Resources - FerrAus Group, please see Section 7 where the key risks are set out.

6.15 Prospects of the Wah Nam International - FerrAus Group

Wah Nam Australia believes, if it is successful in gaining effective control of FerrAus but not Brockman Resources, the Wah Nam International - FerrAus Group will have similar prospects and realise similar benefits to those of the Wah Nam International - Brockman Resources - FerrAus Group (as set out in Section 6.14) except as follows:

Rail Infrastructure

The Wah Nam International - FerrAus Group may still be in a better position than FerrAus alone to negotiate haulage/access agreements or fund the development costs of a railway spur. However, the capital costs of an independent railway scenario may not be able to be shared across multiple projects and therefore an independent railway may not be as economically attractive.

Access to funding

The Wah Nam International - FerrAus Group will still emerge as a larger company with a larger asset base than FerrAus as a separate entity, and accordingly, the Wah Nam International - FerrAus Group may be in a more favourable position than FerrAus alone to obtain both equity and debt financing from strategic and institutional investors, as well as global financial institutions. However, the Wah Nam International - FerrAus Group will not have the same potential production scale as the Wah Nam International - Brockman Resources - FerrAus Group and therefore may receive less attractive financing terms than the Wah Nam International - Brockman Resources - FerrAus Group would.

Marketing

The Wah Nam International - FerrAus Group will be in a stronger position to negotiate off-take agreements than FerrAus would be on its own due to the increased size and enhanced global presence of the Wah Nam International - FerrAus Group, however, the Wah Nam International - FerrAus Group may not be able to blend final products to achieve the same marketing coverage as the Wah Nam International - Brockman Resources - FerrAus Group.

Limitation on Prospects

If Wah Nam Australia obtains effective control (but not 100%) of FerrAus, the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply.

For further details of the Wah Nam International - FerrAus Group, please see Section 7 where the key risks are set out.

6.16 Prospects of Wah Nam International - Brockman Resources Group

Wah Nam Australia believes, if the minimum acceptance condition is waived and Wah Nam Australia does not gain effective control of FerrAus but does gain effective control of Brockman Resources, the Wah Nam International - Brockman Resources Group will have similar prospects and realise similar benefits to those of the Wah Nam International - Brockman Resources - FerrAus Group (as set out in Section 6.14) except for the differences set out below.

Rail infrastructure

The Wah Nam International - Brockman Resources Group may be in a favourable position to assist FerrAus in negotiating haulage/access agreements or funding the development costs of an independent railway scenario. However, the capital costs of an independent railway scenario may not be able to be shared across multiple projects and therefore an independent railway may not be as economically attractive.

Access to funding

The Wah Nam International - Brockman Resources Group will still emerge as a larger company with a larger asset base than as a separate entity, and accordingly, the Wah Nam International - Brockman Resources Group may be in a favourable position to assist FerrAus in obtaining both equity and debt financing from strategic and institutional investors, as well as global financial institutions. However, the Wah Nam International - Brockman Resources Group will not have the same potential production scale as the Wah Nam International - Brockman Resources - FerrAus Group and therefore may receive less attractive financing terms than would the Wah Nam International - Brockman Resources - FerrAus Group.

Marketing

The Wah Nam International - Brockman Resources Group may be in a favourable position to assist FerrAus in negotiating off-take agreements due to the increased size and enhanced global presence of the Wah Nam International - Brockman Resources Group, however, the Wah Nam International - Brockman Resources Group may not be able to blend final products to achieve the same marketing coverage as the Wah Nam International - Brockman Resources - FerrAus Group.

Limitation on Prospects

~~If Wah Nam Australia obtains effective control (but not 100%) of Brockman Resources, the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply.~~

For further details on the prospects of Wah Nam International - Brockman Resources Group in these circumstances, please see Section 7 where the key risks are set out.