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## **WAH NAM INTERNATIONAL HOLDINGS LIMITED**

**華南投資控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 159)**

**VERY SUBSTANTIAL ACQUISITIONS  
(I) CONDITIONAL GENERAL OFFER  
FOR ALL SHARES IN BROCKMAN RESOURCES LIMITED  
NOT ALREADY OWNED BY  
WAH NAM INTERNATIONAL AUSTRALIA PTY LTD; AND  
(II) CONDITIONAL GENERAL OFFER  
FOR ALL SHARES IN FERRAUS LIMITED  
NOT ALREADY OWNED BY  
WAH NAM INTERNATIONAL AUSTRALIA PTY LTD**

**DUAL LISTING APPLICATION ON ASX AND  
OFFER FOR SUBSCRIPTION OF NEW SHARES IN AUSTRALIA**

**ISSUE OF NEW SHARES UNDER A SPECIFIC MANDATE**

**RESUMPTION OF TRADING**

### **THE CONDITIONAL OFFERS**

The Board announces:

#### **BRM Conditional Offer**

WN Australia, a wholly-owned subsidiary of the Company, intends to make a takeover offer for:

- (1) all BRM Shares in issue not already owned by WN Australia as at the Register Date; and
- (2) all BRM Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of BRM Options,

for a consideration of 30 Consideration WN Shares for each BRM Share held.

\* *For identification purposes only*

As at 9 November 2010, there were 142,913,151 BRM Shares and 6,390,000 BRM Options in issue, of which 32,347,405 BRM Shares are held by WN Australia.

If no BRM Shares are issued as a result of the exercise of the BRM Options before the end of the Offer Period and 39,109,171 BRM Shares in issue as at 9 November 2010 not already owned by WN Australia are acquired by WN Australia pursuant to the BRM Conditional Offer resulting in WN Australia holding just over 50% of all BRM Shares in issue as at 9 November 2010 (the BRM Conditional Offer is conditional upon, amongst other things, WN Australia having a Relevant Interest in more than 50% of all BRM Shares in issue), the Company will have to issue approximately 1,173.3 million Consideration WN Shares, representing approximately 30.0% of the number of WN Shares in issue as at the date of this announcement; and approximately 23.1% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

If all BRM Shares in issue not already owned by WN Australia and the BRM Options are exercised in full before the end of the Offer Period and all BRM Shares that are issued as a result of the exercise of BRM Options are acquired by WN Australia pursuant to the BRM Conditional Offer, the Group will have to issue approximately 3,508.7 million Consideration WN Shares, representing approximately 89.8% of the number of WN Shares in issue as at the date of this announcement; and approximately 47.3% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

#### **FRS Conditional Offer**

WN Australia also proposes to make a takeover offer for:

- (1) all FRS Shares in issue not already owned by WN Australia as at the Register Date; and
- (2) all FRS Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of FRS Options,

for a consideration of 6 Consideration WN Shares for each FRS Share held.

As at 9 November 2010, there were 205,700,890 FRS Shares and 7,525,000 FRS Options in issue, of which 40,934,400 FRS Shares are held by WN Australia.

If no FRS Shares are issued as a result of the exercise of the FRS Options before the end of the Offer Period and 144,196,401 FRS Shares in issue as at 9 November 2010 not already owned by WN Australia are acquired by WN Australia pursuant to the FRS Conditional Offer resulting in WN Australia holding 90% of all FRS Shares in issue as at 9 November 2010 (the FRS Conditional Offer is conditional upon, amongst other things, WN Australia having a Relevant Interest in at least 90% of all FRS Shares in issue), and WN Australia proceeds to compulsorily acquire any remaining FRS Shares not acquired during the Offer Period (the compulsory acquisition right is further detailed below), the Company will have to issue approximately 988.6 million Consideration WN Shares, representing approximately 25.3% of the number of WN Shares in issue as at the date of this announcement; and approximately 20.2% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

If all FRS Shares in issue not already owned by WN Australia and the FRS Options are exercised in full before the end of the Offer Period and all FRS Shares that are issued as a result of the exercise of FRS Options are acquired by WN Australia pursuant to the FRS Conditional Offer, the Group will have to issue approximately 1,033.7 million Consideration WN Shares, representing approximately 26.5% of the number of WN Shares in issue as at the date of this announcement; and approximately 20.9% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

The BRM Conditional Offer and the FRS Conditional Offer are independent from each other.

Announcements in relation to the Company's intention to make the Conditional Offers through WN Australia are released to BRM and FRS respectively on the date of this announcement. Copies of which are available at the Company's websites at [www.wnintl.com](http://www.wnintl.com) and [www.irasia.com/listco/hk/wahnam](http://www.irasia.com/listco/hk/wahnam). The Bidder's Statements will be lodged with the ASIC shortly after this announcement and shall be despatched to BRM Shareholders and FRS Shareholders respectively within 14 to 28 days after the Bidder's Statements are given to BRM and FRS (as the case may be).

### **Conditions of the Conditional Offers**

Each of the Conditional Offers is conditional on a number of conditions including, but not limited to, the following:

- (1) the requisite majority of Shareholders approving at a general meeting by poll: the acquisition by WN Australia of all of the BRM Shares not already owned by WN Australia pursuant to the BRM Conditional Offer (in the case of the BRM Conditional Offer) and all of the FRS Shares not already owned by WN Australia pursuant to the FRS Conditional Offer (in the case of the FRS Conditional Offer), and the allotment and issue of the Consideration WN Shares and, where WN Australia has announced a variation in any of the Conditional Offers pursuant to section 650B of the Corporations Act: the acquisition of BRM Shares and/or FRS Shares (as the case may be) by WN Australia on those varied terms, and the allotment and issue of the Consideration WN Shares;
- (2) an application being made to the Stock Exchange for admission to quotation of (i.e. the grant of the listing of, and permission to deal in) the Consideration WN Shares within 7 days after the start of the Bid Period;
- (3) an application being made to the ASX for admission to quotation of all the WN Shares within 7 days after the start of the Bid Period;
- (4) permission for admission to quotation of (i.e. the grant of the listing of, and permission to deal in) the Consideration WN Shares on the Stock Exchange and permission for admission to quotation of all WN Shares on the ASX is granted no later than 7 days after the end of the Bid Period; and
- (5) at the end of the Offer Period, WN Australia having a Relevant Interest in more than 50% of all BRM Shares in respect of the BRM Conditional Offer and at least 90% of all FRS Shares in respect of the FRS Conditional Offer.

WN Australia may waive condition (5) above depending on the circumstances as it considers appropriate and in the interests of the Group. In view of the requirements under the Listing Rules, the Company will only consider waiving the above condition if it is able to set out in its supplemental circular to be issued (as detailed in the paragraph headed “Listing Requirements” below) the disclosures as required by Rules 14.66, 14.67 and 18.09 of the Listing Rules after closing of the relevant Conditional Offer.

If at the end of the Offer Period, WN Australia and its Associates have a Relevant Interest in at least 90% of the BRM Shares or FRS Shares (as the case may be) in issue and WN Australia and its Associates have acquired at least 75% (by number) of BRM Shares or FRS Shares (as the case may be) that WN Australia offered to acquire under the Conditional Offers, WN Australia will be entitled to acquire the remaining BRM Shares or FRS Shares (as the case may be) through a compulsory acquisition procedure.

Should this compulsory acquisition right become available to WN Australia, WN Australia intends to exercise its right to acquire any remaining BRM Shares and/or FRS Shares not acquired during the Offer Period; following which BRM Shares and/or FRS Shares (as the case may be) would be delisted from the ASX.

Based on the present terms and conditions of the Conditional Offers, BRM and FRS may become subsidiaries of the Company after completion of the Conditional Offers.

As the applicable size test percentages (as defined under Rule 14.07 of the Listing Rules) in respect of the Conditional Offers (in aggregate with the Group’s acquisitions of BRM Shares and FRS Shares in the 12 months prior to the date of this announcement) are more than 100%, the Conditional Offers constitute, in aggregate, very substantial acquisitions for the Company under Chapter 14 of the Listing Rules. Accordingly, the Conditional Offers are subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

## **DUAL LISTING APPLICATION ON ASX AND THE OFFER FOR SUBSCRIPTION**

### **Dual Listing**

In connection with the Conditional Offers, the Company intends to apply for the listing of all of the WN Shares (including all WN Shares in issue, the Consideration WN Shares and the Offer Shares) and the WN Options on the ASX. The Company will issue the Prospectus for the purposes of offering the Offer Shares (as described below) and listing of all of the WN Shares and WN Options on the ASX. The Prospectus will be lodged with the ASIC shortly after this announcement.

WN Shares will continue to be listed on the Stock Exchange. The Company will make an application to the Stock Exchange for the grant of the listing of, and permission to deal in, the Offer Shares, the WN Option Shares and the WN Consideration Shares.

If the Company’s application for admission to the ASX’s Official List is approved, WN Shares will be listed on the Stock Exchange and the ASX on a dual primary basis and the Company will have to comply with the requirements under the Listing Rules and the ASX Listing Rules.

## **The Offer for Subscription**

In connection with the proposed application for listing of WN Shares on the ASX, the Company is inviting subscriptions from the Australian public for 10 million Offer Shares (with one free attaching WN Option for each Offer Share subscribed for), with provision to accept oversubscriptions of up to a further 5 million Offer Shares, at the Issue Price of AUD0.20 (equivalent to approximately HK\$1.56) per Offer Share. The minimum level of subscription amount under the Offer for Subscription is AUD1 million (equivalent to approximately HK\$7.8 million).

The maximum number of Offer Shares of 15 million represent (i) approximately 0.38% of the existing issued share capital of the Company, (ii) 0.38% of the issued share capital of the Company as enlarged by the issue of the Offer Shares only; and (iii) 0.18% of the issued share capital of the Company as enlarged by the issue of the Offer Shares and the Consideration WN Shares (assuming full acceptance of the Conditional Offers but no exercise of the BRM Options and FRS Options outstanding as at 9 November 2010).

The proceeds raised from the Offer for Subscription will be used to finance the transaction costs incurred by the Group in connection with the Conditional Offers and the Offer for Subscription.

On the date of this announcement, the Company entered into a mandate letter with the Lead Manager, pursuant to which the Lead Manager has agreed to act as Lead Manager of the Offer for Subscription and to assist on a 'best endeavours' basis in the raising of capital for the Company.

As stated above, the Company will make an application to the Stock Exchange for the grant of the listing of, and permission to deal in, the Offer Shares and the WN Option Shares.

The Offer for Subscription is not underwritten. If the minimum subscription amount of AUD1 million is not reached or if the Offer for Subscription fails for any other reason, the listing of WN Shares on the ASX will also not proceed and the Conditional Offers will not become unconditional and will lapse.

## **ISSUE OF NEW SHARES UNDER A SPECIFIC MANDATE**

The Company proposes to seek the Issue Mandate from the Shareholders for the placement of up to 600,000,000 HK Placing Shares to placees which are Independent Third Parties at the HK Placing Price.

The Issue Mandate is subject to (1) the BRM Conditional Offer and/or the FRS Conditional Offer becoming unconditional; (2) the Stock Exchange granting or agreeing to grant the listing of and permission to deal in all of the HK Placing Shares; and (3) the approval of the Shareholders at general meeting.

## **GENERAL**

The Conditional Offers, the Offer for Subscription and the Issue Mandate are conditional on, among other things, Shareholders' approval at general meeting, voting by poll. No Shareholder is required to abstain from voting at the SGM, unless such Shareholder has a material interest in the Conditional Offers, the Offer for Subscription or the Issue Mandate (as the case may be) other than being a Shareholder.

The Company will issue a circular setting out, among other things, details of the Conditional Offers, further information on the Group, BRM and FRS, details of the Offer for Subscription, details of the Issue Mandate and the notice of the SGM to the Shareholders. The circular is expected to be despatched to Shareholders as soon as possible before 1 December 2010.

The Company will issue further announcements informing Shareholders and potential investors about the progress on the Conditional Offers, the Offer for Subscription and/or the Issue Mandate as and when appropriate or required.

If after Shareholders have approved the Conditional Offers on the existing terms, WN Australia revises any material terms of the Conditional Offers, the Company will seek approval from the Shareholders again and re-comply with the applicable requirements under the Listing Rules.

Trading in the WN Shares on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 10 November 2010 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the WN Shares with effect from 9:30 a.m. on 11 November 2010.

## **THE CONDITIONAL OFFERS**

### **Terms of the Conditional Offers**

#### ***BRM Conditional Offer***

The Board announces that WN Australia, a wholly-owned subsidiary of the Company, intends to make a takeover offer to acquire:

- (1) all BRM Shares in issue not already owned by WN Australia as at the Register Date; and
- (2) all BRM Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of BRM Options,

for a consideration of 30 Consideration WN Shares for each BRM Share held.

As at 9 November 2010, there were 142,913,151 BRM Shares and 6,390,000 BRM Options in issue, of which 32,347,405 BRM Shares are held by WN Australia.

If no BRM Shares are issued as a result of the exercise of the BRM Options before the end of the Offer Period and 39,109,171 BRM Shares in issue as at 9 November 2010 not already owned by WN Australia are acquired by WN Australia pursuant to the BRM Conditional Offer resulting in WN Australia holding just over 50% of all BRM Shares in issue as at 9 November 2010 (the BRM Conditional Offer is conditional upon, amongst other things, WN Australia having a Relevant Interest in more than 50% of all BRM Shares in issue), the Company will have to issue approximately 1,173.3 million Consideration WN Shares, representing:

- (1) approximately 30.0% of the number of WN Shares in issue as at the date of this announcement; and
- (2) approximately 23.1% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

If all BRM Shares in issue not already owned by WN Australia and the BRM Options are exercised in full before the end of the Offer Period and all BRM Shares that are issued as a result of the exercise of BRM Options are acquired by WN Australia pursuant to the BRM Conditional Offer, the Group will have to issue approximately 3,508.7 million Consideration WN Shares, representing:

- (1) approximately 89.8% of the number of WN Shares in issue as at the date of this announcement; and
- (2) approximately 47.3% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

### ***FRS Conditional Offer***

The Board announces that WN Australia also proposes to make a takeover offer for:

- (1) all FRS Shares in issue not already owned by WN Australia as at the Register Date; and
- (2) all FRS Shares that are issued during the period from the Register Date to the end of the Offer Period as a result of the exercise of FRS Options,

for a consideration of 6 Consideration WN Shares for each FRS Share held.

As at 9 November 2010, there were 205,700,890 FRS Shares and 7,525,000 FRS Options in issue, of which 40,934,400 FRS Shares are held by WN Australia.

As at 9 November 2010, there were 7,500,000 FRS Class B Shares in issue. Each FRS Class B Share, subject to certain conditions which are yet to be met, is convertible into one FRS Share. The FRS Conditional Offer does not extend to the FRS Class B Shares.

If no FRS Shares are issued as a result of the exercise of the FRS Options before the end of the Offer Period and 144,196,401 FRS Shares in issue as at 9 November 2010 not already owned by WN Australia are acquired by WN Australia pursuant to the FRS Conditional Offer resulting in WN Australia holding 90% of all FRS Shares in issue as at 9 November 2010 (the FRS Conditional Offer is conditional upon, amongst other things, WN Australia having a Relevant Interest in at least 90% of all FRS Shares in issue), and WN Australia proceeds to compulsorily acquire any remaining FRS Shares not acquired during the Offer Period (the compulsory acquisition right is further detailed below), the Company will have to issue approximately 988.6 million Consideration WN Shares, representing approximately 25.3% of the number of WN Shares in issue as at the date of this announcement; and approximately 20.2% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

If all FRS Shares in issue not already owned by WN Australia and the FRS Options are exercised in full before the end of the Offer Period and all FRS Shares that are issued as a result of the exercise of FRS Options are acquired by WN Australia pursuant to the FRS Conditional Offer, the Group will have to issue approximately 1,033.7 million Consideration WN Shares, representing approximately 26.5% of the number of WN Shares in issue as at the date of this announcement; and approximately 20.9% of the number of WN Shares which will be in issue as enlarged by the issue of such Consideration WN Shares.

Announcements in relation to the Company's intention to make the Conditional Offers through WN Australia are released to BRM and FRS respectively on the date of this announcement. Copies of which are available at the Company's websites at [www.wnintl.com](http://www.wnintl.com) and [www.irasia.com/listco/hk/wahnam](http://www.irasia.com/listco/hk/wahnam). The Bidder's Statements will be lodged with the ASIC shortly after this announcement and shall be despatched to BRM Shareholders and FRS Shareholders respectively within 14 to 28 days after the Bidder's Statements are given to BRM and FRS (as the case may be).

### **Value of the Conditional Offers**

There is no stated issue price of the Consideration WN Shares under the Conditional Offers.

### ***BRM Conditional Offer***

As stated above, assuming 100% acceptance of the BRM Conditional Offer (and assuming that all holders of BRM Options exercise their options and accept the BRM Conditional Offer), the Company will have to issue approximately 3,508.7 million Consideration WN Shares. The aggregate value of such Consideration WN Shares is approximately HK\$5,913.9 million (equivalent to approximately AUD756.2 million) based on the VWAP of WN Shares on the Stock Exchange during the 2 full

trading days of 8 and 9 November 2010, being approximately HK\$1.69. Based on such value, the BRM Conditional Offer equates to a value of approximately AUD6.47 per BRM Share, which represents:

- (1) a premium of 42.8% over the closing price of BRM Shares as quoted on the ASX on 9 November 2010 (being the last day of trading in BRM Shares before the Announcement Date);
- (2) a premium of 61.5% over the VWAP of BRM Shares for the 30 days to 9 November 2010;
- (3) a premium of 74.2% over the VWAP of BRM Shares for the 60 days to 9 November 2010;
- (4) a premium of 79.6% over the VWAP of BRM Shares for the 90 days to 9 November 2010; and
- (5) a premium of 89.9% over the VWAP of BRM Shares for the 180 days to 9 November 2010.

### ***FRS Conditional Offer***

As stated above, assuming 100% acceptance of the FRS Conditional Offer (and assuming that all holders of FRS Options exercise their options and accept the FRS Conditional Offer), the Company will have to issue approximately 1,033.7 million Consideration WN Shares. The aggregate value of such Consideration WN Shares is approximately HK\$1,742.4 million (equivalent to approximately AUD222.8 million) based on the VWAP of WN Shares on the Stock Exchange during the 2 full trading days of 8 and 9 November 2010, being approximately HK\$1.69. Based on such value, the FRS Conditional Offer equates to a value of approximately AUD1.29 per FRS Share, which represents:

- (1) a premium of 52.2% over the closing price of FRS Shares as quoted on the ASX on 9 November 2010 (being the last day of trading in FRS Shares before the Announcement Date);
- (2) a premium of 63.2% over the VWAP of FRS Shares for the 30 days to 9 November 2010;
- (3) a premium of 62.3% over the VWAP of FRS Shares for the 60 days to 9 November 2010;
- (4) a premium of 59.9% over the VWAP of FRS Shares for the 90 days to 9 November 2010; and
- (5) a premium of 44.4% over the VWAP of FRS Shares for the 180 days to 9 November 2010.

Based on the relevant regulations in Australia, the Implied Offer Value will be fixed based on the weighted average traded price of WN Shares over two consecutive trading days within the five business days prior to the despatch of the Bidder's Statements. It is expected that the Bidder's Statements will be despatched by WN Australia to BRM Shareholders and FRS Shareholders

respectively within 14 to 28 days after the Bidder's Statements are given to BRM and FRS (as the case may be). The Company will issue further announcements when the Bidder's Statements are despatched and when the Implied Offer Value of each of the Conditional Offer is fixed.

For illustrative purposes only, as set out above, based on the VWAP of WN Shares for the two consecutive trading days on 8 and 9 November 2010 (being the last two days of trading in WN Shares immediately before the Announcement Date), the implied offer value of (1) a BRM Share is AUD6.47; and (2) a FRS Share is AUD1.29.

Having considered the recent market value of the BRM Shares, the FRS Shares and the WN Shares, the amount of estimated ore reserves of BRM's principal project of Marillana Project (as set out in the paragraph headed "Information on BRM" below) as published by BRM and the estimated mineral resources of FRS's principal project of FerrAus Pilbara Project (as set out in the paragraph headed "Information on FRS" below) as published by FRS, and the reasons for and benefits of the Conditional Offers as stated below in this announcement, the Directors (including the independent non-executive Directors) consider that the terms of the Conditional Offers are fair and reasonable based on current market conditions and that the Conditional Offers are in the interests of the Company and the Shareholders as a whole. When assessing the terms of the Conditional Offers, the Company has only taken into account publicly available information on BRM and FRS, in particular the Marillana Project and the FerrAus Pilbara Project as mentioned above. The Company believes that these two major principal projects of BRM and FRS constitute a key component of the valuation of the two companies.

### **Revised offer**

Subject to the applicable laws and regulations in Australia, WN Australia reserves its right to revise the terms of the Conditional Offers. Should the terms of the Conditional Offers be revised materially, the Company will issue further announcements and will re-comply with the then applicable requirements of the Listing Rules (including seeking Shareholders' approval if required).

### **Offer Periods**

The Offer Periods will commence on the date when the Bidder's Statements are despatched to BRM Shareholders and FRS Shareholders (as the case may be) and are expected to close one month after, unless extended by WN Australia. The Company will issue further announcements when the Offer Periods are determined.

If within the last 7 days of the relevant Offer Period, either of the following events occurs:

- (1) the BRM Conditional Offer or the FRS Conditional Offer (as the case may be) is varied to improve the consideration offered; or
- (2) WN Australia's Voting Power in BRM or FRS (as the case may be) increases to more than 50%,

then the relevant Offer Period will be automatically extended so that it ends 14 days after the relevant event. Further announcements will be made by the Company regarding the Offer Periods as and when appropriate.

## Conditions

The Conditional Offers and any contract that results from acceptances of the Conditional Offers will be subject to the following conditions:

1. The requisite majority of Shareholders approving:
  - a. the acquisition by WN Australia of all of the BRM Shares not already owned by WN Australia in the case of the BRM Conditional Offer, and all of the FRS Shares not already owned by WN Australia in the case of the FRS Conditional Offer; and
  - b. the allotment and issue of the Consideration WN Shares; and

where WN Australia has announced a variation in the Conditional Offers pursuant to section 650B of the Corporations Act:

- c. the acquisition of BRM Shares and/or FRS Shares (as the case may be) by WN Australia on those varied terms; and
    - d. the allotment and issue of the Consideration WN Shares,  
  
at general meeting by poll.
2. An application being made to the Stock Exchange for admission to quotation of (i.e. the grant of the listing of, and permission to deal in), the Consideration WN Shares within 7 days after the start of the Bid Period.
3. An application being made to the ASX for admission to quotation of all WN Shares within 7 days after the start of the Bid Period.
4. Permission for admission to quotation of (i.e. the grant of the listing of, and permission to deal in) the Consideration WN Shares on the Stock Exchange and permission for admission to quotation of all the WN Shares on the ASX is granted no later than 7 days after the end of the Bid Period.
5. At the end of the relevant Offer Period, WN Australia having a Relevant Interest in more than 50% of all BRM Shares in issue in respect of the BRM Conditional Offer and at least 90% of all FRS Shares in issue in respect of the FRS Conditional Offer.
6. Between the Announcement Date and the end of the Offer Period (each inclusive), no Prescribed Occurrence occurring.

7. Between the Announcement Date and the end of the Offer Period (each inclusive):
- a. there is not in effect any preliminary or final decision, order or decree issued by a government agency;
  - b. no action or investigation is announced, commenced or threatened by any government agency; and
  - c. no application is made to any government agency (other than by the Company or any of its Associates),

in consequence of or in connection with the Conditional Offers (other than an application to, or a decision or order of, ASIC or the Australian Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Conditional Offers or the acquisition of BRM Shares in the case of the BRM Conditional Offer, or the acquisition of FRS Shares in the case of the FRS Conditional Offer, or the completion of any transaction contemplated by each of the Bidder's Statements, or seeks to require the divestiture by WN Australia of any BRM Shares in the case of the BRM Conditional Offer, or of any FRS Shares in the case of the FRS Conditional Offer, or the divestiture of any material assets of BRM in the case of the BRM Conditional Offer, or of FRS in the case of the FRS Conditional Offer or the Group.

8. Between the Announcement Date and the end of the Offer Period (each inclusive), neither BRM nor any subsidiary of BRM, in the case of the BRM Conditional Offer, or FRS nor any subsidiary of FRS, in the case of the FRS Conditional Offer:
- a. acquiring, offering to acquire or agreeing to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than AUD5 million (equivalent to approximately HK\$39.1 million) or makes an announcement about such a transaction;
  - b. disposing, offering to dispose or agreeing to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than AUD5 million (equivalent to approximately HK\$39.1 million) or makes an announcement about such a disposal;
  - c. entering into, offering to enter into or announcing that it proposes to enter into any joint venture or partnership or dual listed company structure, involving a commitment of in aggregate greater than AUD5 million (equivalent to approximately HK\$39.1 million), other than in the ordinary course of business, or makes an announcement in relation to such entry, offer or agreement;

- d. incurring or committing to, or granting to another person a right the exercise of which would involve BRM in the case of the BRM Conditional Offer, or FRS in the case of the FRS Conditional Offer, incurring or committing to, any capital expenditure or liability in respect of one or more related items of in aggregate greater than AUD5 million (equivalent to approximately HK\$39.1 million) or makes an announcement about such a commitment; or
  - e. disclosing (without having disclosed to the ASX prior to the Announcement Date) the existence of any matter described in this condition, or announcing an intention or proposal to do anything described in this condition.
9. Between the Announcement Date and the end of the Offer Period (each inclusive), no event, change or condition occurs, is announced or becomes known to WN Australia (whether or not it becomes public) where that event, change or condition has had, or could reasonably be expected to have, a material adverse effect on:
- a. the business, assets, liabilities, financial or trading position, profitability or prospects of BRM (in the case of the BRM Conditional Offer), or of FRS (in the case of the FRS Conditional Offer), since 30 June 2010;
  - b. the status or terms of arrangements entered into by BRM (in the case of the BRM Conditional Offer), or by FRS (in the case of the FRS Conditional Offer); or
  - c. the status or terms of any approvals, licences or permits from government agencies applicable to BRM (in the case of the BRM Conditional Offer), or to FRS (in the case of the FRS Conditional Offer),
- except for events, changes and conditions publicly announced by BRM in the case of the BRM Conditional Offer, or by FRS in the case of the FRS Conditional Offer or otherwise disclosed in public filings by BRM or any of its subsidiaries in the case of the BRM Conditional Offer, or by FRS or any of its subsidiaries in the case of the FRS Conditional Offer, prior to the Announcement Date where the relevant disclosure is not, and is not likely to be, incomplete, incorrect, untrue or misleading.
10. No person (other than a member of the Group) has or will have any right (whether subject to conditions or not) as a result of WN Australia acquiring BRM Shares under the BRM Conditional Offer or FRS Shares under the FRS Conditional Offer to:
- a. acquire, or require the disposal of, or require BRM or its subsidiaries in the case of the BRM Conditional Offer, or FRS or its subsidiaries in the case of the FRS Conditional Offer, to offer to dispose of, any material asset of BRM or any of its subsidiaries in the case of the BRM Conditional Offer, or of FRS or any of its subsidiaries in the case of the FRS Conditional Offer; or

- b. terminate, or vary the terms of performance of, any material agreement of BRM or any of its subsidiaries in the case of the BRM Conditional Offer, or of FRS or any of its subsidiaries in the case of the FRS Conditional Offer.
11. Between the Announcement Date and the end of the Offer Period (each inclusive), neither BRM nor any subsidiary of BRM in the case of the BRM Conditional Offer, or FRS or any of its subsidiaries in the case of the FRS Conditional Offer, declares, distributes, or resolves to pay or provide any dividend, bonus or other share of its profits or assets.
12. Between the Announcement Date and the end of the Offer Period (each inclusive), BRM in the case of the BRM Conditional Offer, or FRS in the case of the FRS Conditional Offer, does not enter into or otherwise become a party to any transaction with a related party or related entity (as those terms are defined in the Corporations Act).
13. Between the Announcement Date and the end of the Offer Period (each inclusive), the S&P/ASX300 index does not fall more than 15% from the closing level of that index on the day before the Announcement Date at any time on any ASX trading day.
14. Between the Announcement Date and the end of the Offer Period (each inclusive), WN Australia does not become aware that any document filed by or on behalf of BRM in the case of the BRM Conditional Offer, or of FRS in the case of the FRS Conditional Offer, with the ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.
15. Between the Announcement Date and the end of the Offer Period (each inclusive), the exchange rate of AUD to HK\$ does not appreciate more than 10% from the closing level of that rate on the day before the Announcement Date.

Subject to the Corporations Act, WN Australia may, at any time and at its sole and absolute discretion, waive any of the above conditions (except conditions 1, 2, 3 and 4) and declare the Conditional Offers free from those conditions and in relation to any specific occurrence or any specific entity by giving notice in writing to BRM in the case of the BRM Conditional Offer, or to FRS in the case of the FRS Conditional Offer, not less than seven days before the end of the relevant Offer Period. Save for conditions 1, 2, 3 and 4 which are required by specific laws, rules or regulations, the other conditions to the Conditional Offers are voluntary conditions for the benefit of the offeror i.e. WN Australia and thus can be waived by WN Australia. The Company will consider the risks and benefits to the Company when considering whether to waive any of such conditions. It will only waive a condition if the Board (including the independent non-executive Directors) considers it to be in the interests of the Company and the Shareholders as a whole.

In view of the requirements under the Listing Rules, the Company will only consider waiving condition (5) in respect of the level of acceptance of the Conditional Offers if it is able to set out in its supplemental circular to be issued (as detailed in the paragraph headed “Listing Requirements”

below) the disclosures as required by Rules 14.66, 14.67 and 18.09 of the Listing Rules after closing of the relevant Conditional Offer.

The BRM Conditional Offer and the FRS Conditional Offer are independent from each other.

To the extent not accepted at the relevant time, WN Australia may withdraw the relevant Conditional Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

If the BRM Conditional Offer or the FRS Conditional Offer is withdrawn and at the time of withdrawal, the conditions of such Conditional Offer have been satisfied or waived, all contracts arising from acceptance of such Conditional Offer before it was withdrawn will remain enforceable.

If the BRM Conditional Offer or the FRS Conditional Offer is withdrawn and at the time of withdrawal, not all of the conditions of such Conditional Offer have been satisfied or waived, all contracts arising from its acceptance will become void.

The Company will make an application to the ASX for admission to quotation of all WN Shares, including the Consideration WN Shares within 7 days after the start of the relevant Bid Period.

The Company will make an application to the Stock Exchange for the grant of listing of, and permission to deal in, the Consideration WN Shares within 7 days after the start of the relevant Bid Period.

### **Compulsory acquisition**

If at the end of the Offer Period WN Australia and its Associates have a Relevant Interest in at least 90% of the BRM Shares or FRS Shares (as the case may be) in issue and WN Australia and its Associates have acquired at least 75% (by number) of BRM Shares or FRS Shares (as the case may be) that WN Australia offered to acquire under the Conditional Offers, WN Australia will be entitled to acquire the remaining BRM Shares or FRS Shares (as the case may be) through a compulsory acquisition procedure. Should this compulsory acquisition right become available to WN Australia, WN Australia intends to exercise its right to acquire any remaining BRM Shares and/or FRS Shares not acquired during the Offer Period; following which the BRM Shares and/or FRS Shares (as the case may be) would be delisted from the ASX.

## **DUAL LISTING APPLICATION ON ASX AND THE OFFER FOR SUBSCRIPTION**

### **Dual Listing**

In connection with the Conditional Offers, the Company intends to apply for the listing of all of the WN Shares (including all WN Shares in issue, the Consideration WN Shares and the Offer Shares) and the WN Options on the ASX. The Company will issue the Prospectus for the purposes of offering the Offer Shares and obtaining Australian shareholder spread for the listing on the ASX. The Prospectus will be lodged with the ASIC shortly after this announcement.

WN Shares will continue to be listed on the Stock Exchange. The Company will make an application to the Stock Exchange for the grant of the listing of, and permission to deal in, the Offer Shares, the WN Option Shares and the Consideration WN Shares.

If the Company's application for admission to the ASX's Official List is approved, WN Shares will be listed on the Stock Exchange and the ASX on a dual primary basis and the Company will have to comply with the requirements under the Listing Rules and the ASX Listing Rules.

The Company's application for the listing of all the WN Shares and the WN Options on the ASX is not subject to the completion of the Conditional Offers. But each of the BRM Conditional Offer and the FRS Conditional Offer is conditional on, among other conditions, the dual listing of all the WN Shares on the ASX which will be subject to (among other things) the completion of the Offer for Subscription (as set out below).

### **The Offer for Subscription**

In connection with the proposed application for listing of WN Shares on the ASX, the Company will invite subscriptions from the Australian public for 10 million Offer Shares (with an aggregate nominal value of HK\$1 million) (with one free attaching WN Option for each Offer Share subscribed for) with provision to accept oversubscriptions of up to a further 5 million Offer Shares (with an aggregate nominal value of HK\$500,000), at the Issue Price of AUD0.20 (equivalent to approximately HK\$1.56) per Offer Share. The minimum level of subscription amount under the Offer for Subscription is AUD1 million (equivalent to approximately HK\$7.8 million).

On the date of this announcement, the Company entered into a mandate letter with the Lead Manager, pursuant to which the Lead Manager has agreed to act as Lead Manager of the Offer for Subscription and to assist on a best endeavours basis in the raising of capital for the Company under the Offer for Subscription. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Lead Manager and its ultimate beneficial owners are Independent Third Parties. The Lead Manager is entitled to receive a placement fee of 5% of the amount raised under the Offer for Subscription which was determined after arm's length negotiations between the parties having regard to the structure of the Offer for Subscription and the prevailing market rates in Australia.

As stated above, the Company will lodge the Prospectus with the ASIC shortly after this announcement. The offer of the Offer Shares is expected to commence on 19 November 2010.

The Company will make an application to the Stock Exchange for the grant of the listing of, and permission to deal in, the Offer Shares and the WN Option Shares.

## **WN Options**

To promote the subscription for the Offer Shares, the WN Options will be issued on the basis of one WN Option for each Offer Share subscribed for. Each WN Option will entitle the holder thereof to subscribe for one new WN Share at an exercise price of AUD0.20 (equivalent to approximately HK\$1.56) per WN Share (subject to adjustment pursuant to the terms of the WN Options) at any time from the date of issue of the WN Options until the expiry date of 30 September 2014. The initial exercise price of AUD0.20 (equivalent to approximately HK\$1.56) per WN Share was determined with reference to the prevailing market price and the recent trading volume of the WN Shares, as well as the minimum exercise price imposed under the listing requirements of the ASX Listing Rules.

The Company will make an application to the ASX for the listing of the WN Options on the ASX. The Company currently does not have any plan to list the WN Options on the Stock Exchange or any other stock exchange (other than ASX).

The maximum number of WN Option Shares to be issued upon exercise of the subscription rights attaching on the WN Options at the initial exercise price of AUD0.20 (equivalent to approximately HK\$1.56) per WN Share (subject to adjustment pursuant to the terms of the WN Options) is 15 million WN Option Shares (with an aggregate nominal value of HK\$1,500,000), which represents:

- (1) approximately 0.38% of the existing issued share capital of the Company;
- (2) approximately 0.38% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Offer Shares;
- (3) approximately 0.38% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Offer Shares and such number of WN Option Shares; and
- (4) approximately 0.18% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of Offer Shares, such number of WN Option Shares and the Consideration WN Shares (assuming full acceptance of the Conditional Offers but no exercise of the BRM Options and FRS Options outstanding as at 9 November 2010).

The issue of the WN Options will comply with the applicable requirements under Chapter 15 of the Listing Rules. The Company will issue a circular setting out, among other things, the proposed terms of the WN Options in accordance with the applicable requirements under the ASX Listing Rules and Chapter 15 of the Listing Rules.

## **Terms of the Offer for Subscription**

### ***Selling restrictions***

The Offer for Subscription does not constitute a public offer in any jurisdiction other than Australia.

### ***Issue Price***

The Issue Price of AUD0.20 (equivalent to approximately HK\$1.56) per Offer Share represents:

- (1) a discount of approximately 4.3% to the closing price of HK\$1.63 per WN Share as quoted on the Stock Exchange on 9 November 2010 being the last day of trading in WN Shares prior to the date of the Lead Manager Mandate; and
- (2) a discount of approximately 6.6% to the average of the closing prices per WN Share of HK\$1.67 as quoted on the Stock Exchange for the five consecutive trading days up to and including 9 November 2010 being the last day of trading in WN Shares prior to the date of the Lead Manager Mandate.

The Issue Price was determined with reference to the prevailing market price and the recent trading volume of the WN Shares, as well as the minimum issue price imposed under the listing requirements of the ASX Listing Rules.

The Directors (including the independent non-executive Directors) consider that the terms of the Offer for Subscription are fair and reasonable based on current market conditions and that the Offer for Subscription is in the interests of the Company and the Shareholders as a whole.

### ***Number of Offer Shares***

The minimum number of Offer Shares to be issued under the Offer for Subscription pursuant to the Prospectus in order to raise the minimum subscription amount of AUD1 million (equivalent to approximately HK\$7.8 million) is 5 million Offer Shares (with an aggregate nominal value of HK\$500,000) which represents:

- (1) approximately 0.13% of the existing issued share capital of the Company;
- (2) approximately 0.13% of the issued share capital of the Company as enlarged by the allotment and issue of such number of Offer Shares; and
- (3) approximately 0.06% of the issued share capital of the Company as enlarged by the issue of such number of Offer Shares, WN Option Shares and the Consideration WN Shares (assuming full acceptance of the Conditional Offers but no exercise of the BRM Options and FRS Options outstanding as at 9 November 2010).

The maximum number of Offer Shares to be issued under the Offer for Subscription pursuant to the Prospectus is 15 million Offer Shares (with an aggregate nominal value of HK\$1,500,000) which represents:

- (1) approximately 0.38% of the existing issued share capital of the Company;

- (2) approximately 0.38% of the issued share capital of the Company as enlarged by the allotment and issue of such number of Offer Shares; and
- (3) approximately 0.18% of the issued share capital of the Company as enlarged by the issue of such number of Offer Shares, WN Option Shares and the Consideration WN Shares (assuming full acceptance of the Conditional Offers but no exercise of the BRM Options and FRS Options outstanding as at 9 November 2010).

### ***Conditions of the Offer for Subscription***

Completion of the Offer for Subscription is conditional upon:

- (1) the Stock Exchange granting or agreeing to grant listing of and permission to deal in all of the Offer Shares and WN Option Shares;
- (2) the ASX granting or agreeing to grant listing of the WN Shares (including, among others, the Offer Shares) and WN Options on the ASX; and
- (3) the passing of necessary resolution(s) by Shareholders to approve the Offer for Subscription and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Offer Shares and the WN Option Shares.

The Offer for Subscription is not underwritten. If the minimum subscription amount of AUD1 million is not reached or if the Offer for Subscription fails for any other reason, the listing of WN Shares and WN Options on ASX will also not proceed and the Conditional Offers will not become unconditional and will lapse.

### ***Completion of the Offer for Subscription***

The Offer for Subscription is expected to close on 17 December 2010 and the Offer Shares and WN Options are expected to commence trading on the ASX on 10 January 2011. Trading of the Offer Shares on the Stock Exchange is also expected to commence concurrently on 10 January 2011.

### ***Rights of Offer Shares***

The Offer Shares, as well as the WN Option Shares, will rank, upon issue, pari passu in all respect with WN Shares in issue on the date of allotment and issue of the Offer Shares.

## Fund raising activities in the past 12 months

The following equity fund raising activities have been conducted by the Group in the past 12 months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual application of the net proceeds</b>
9 February 2010	Placing of existing WN Shares and subscription of new WN Shares	Approximately HK\$297 million	Not more than HK\$10 million for general working capital and not less than HK\$287 million for potential acquisitions or investment in mineral-related businesses	Approximately HK\$289 million has been used to invest in mineral-related companies and HK\$8 million has been used for general working capital.
19 June 2010	Placing of existing WN Shares and subscription of new WN Shares	Approximately HK\$199 million	Not more than HK\$29 million for general working capital and not less than HK\$170 million for potential acquisitions or investment in mineral-related businesses.	Approximately HK\$188 million has been used to invest in mineral-related companies and approximately HK\$11 million has been used for general working capital.
17 September 2010	Placing of existing WN Shares and subscription of new WN Shares	Approximately HK\$200 million	Not more than HK\$20 million for general working capital and not less than HK\$180 million for potential acquisitions or investment in mineral-related businesses.	Approximately HK\$94 million has been used to invest in mineral-related companies (including related transaction costs) and approximately HK\$3 million has been used for general working capital. The Company intends to use the remaining proceeds to invest in mineral-related businesses (including related transaction costs) and not more than HK\$17 million for general working capital of the Group. In the interim, the remaining net proceeds have been placed in bank deposits.

## **ISSUE MANDATE**

The Company proposes to seek the Issue Mandate from the Shareholders for the placement of up to 600,000,000 HK Placing Shares (with an aggregate nominal value of HK\$60,000,000) to places which are Independent Third Parties.

The Company expects that there will be more than six places under any share placement pursuant to the Issue Mandate. Such places are expected to be independent individuals, corporate and/or institutional investors, and who and whose ultimate beneficial owners are Independent Third Parties, none of which are expected to become a substantial Shareholder.

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, such HK Placing Shares to be issued.

### ***HK Placing Price***

The HK Placing Price shall be equal to or higher than the higher of (A) HK\$1.30 or (B) 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 HK Placing Shares. The HK Placing Price of HK\$1.30 represents:

- (1) a discount of approximately 20.2% to the closing price of HK\$1.63 per WN Share as quoted on the Stock Exchange on 9 November 2010 being the last day of trading in WN Shares prior to the date of this announcement; and
- (2) a discount of approximately 22.2% to the average of the closing prices per WN Share of HK\$1.67 as quoted on the Stock Exchange for the five consecutive trading days up to and including 9 November 2010 being the last day of trading in WN Shares prior to the date of this announcement.

In determining the parameters for fixing the HK Placing Price, the Company considers the references to an average closing price for a longer trading period and a larger discount limit are in the interests of the Company in view of recent fluctuation of the trading prices and volume of the WN Shares on the Stock Exchange preceding the date of this announcement. The minimum HK Placing Price of HK\$1.30 was determined with reference to the prevailing market price and the recent trading volume of the WN Shares. The actual placing price will be determined based on the above conditions and negotiations between the Company and the places then.

Taking into account, among other things, the parameters for determining the HK Placing Price and the reasons for the Issue Mandate and use of proceeds set out below in this announcement, the Directors (including the independent non-executive Directors) consider that the terms of the Issue Mandate are fair and reasonable based on current market conditions and that the Issue Mandate is in the interests of the Company and the Shareholders as a whole.

### ***Maximum number of HK Placing Shares***

600,000,000 HK Placing Shares (with an aggregate nominal value of HK\$60,000,000) represent:

- (1) approximately 15.4% of the existing issued share capital of the Company;
- (2) approximately 13.3% of the issued share capital of the Company as enlarged by the allotment and issue of such number of HK Placing Shares; and
- (3) approximately 6.8% of the issued share capital of the Company as enlarged by such number of HK Placing Shares, the maximum number of Offer Shares and WN Option Shares, and the Consideration WN Shares (assuming full acceptance of the Conditional Offers but no exercise of the BRM Options and FRS Options outstanding as at 9 November 2010).

### ***Conditions of the Issue Mandate***

The Issue Mandate is subject to:

- (1) the BRM Conditional Offer and/or the FRS Conditional Offer becoming unconditional;
- (2) the Stock Exchange granting or agreeing to grant listing of and permission to deal in all of the HK Placing Shares; and
- (3) the passing of necessary resolution(s) by the Shareholders to approve the Issue Mandate and the transactions contemplated thereunder, including but not limited to the issue and allotment of the HK Placing Shares.

The Issue Mandate will be valid for a period of six months from the date the BRM Conditional Offer and/or the FRS Conditional Offer is declared unconditional.

### ***Rights of HK Placing Shares***

The HK Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them. The HK Placing Shares will rank, upon issue, pari passu in all respect with WN Shares in issue on the date of allotment and issue of the HK Placing Shares.

## SHAREHOLDING OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately after the Conditional Offers, the Offer for Subscription and the issue of the HK Placing Shares under the Issue Mandate based on the assumptions stated below:

	Immediately after the Conditional Offers (i) assuming there are no BRM Shares or FRS Shares issued as a result of the exercise of BRM Options or FRS Options outstanding as at 9 November 2010 before the end of the Offer Period, (ii) the maximum number of Offer Shares is issued, and (iii) the maximum number of HK Placing Shares is issued						Immediately after the Conditional Offers (i) assuming all BRM Options and FRS Options outstanding as at 9 November 2010 are exercised before the end of the Offer Period, (ii) the maximum number of Offer Shares is issued, and (iii) the maximum number of HK Placing Shares is issued			
	As at the date of this announcement		Assuming acceptances under the Conditional Offers resulting in WN Australia holding (i) just over 50% of all BRM Shares and (ii) 90% of all FRS Shares (and WN Australia proceeds to compulsorily acquire any remaining FRS Shares not acquired during the Offer Period)		Assuming the Conditional Offer are fully accepted		Assuming acceptances under the Conditional Offers resulting in WN Australia holding (i) just over 50% of all BRM Shares and (ii) 90% of all FRS Shares (and WN Australia proceeds to compulsorily acquire any remaining FRS Shares not acquired during the Offer Period)		Assuming the Conditional Offer are fully accepted	
	No. of WN Shares	%	No. of WN Shares	%	No. of WN Shares	%	No. of WN Shares	%	No. of WN Shares	%
Leading Highway Limited (note 1)	440,500,000	11.3%	440,500,000	6.6%	440,500,000	5.0%	440,500,000	6.5%	440,500,000	4.9%
Shimmer Expert Investments Limited (note 2)	279,548,000	7.2%	279,548,000	4.2%	279,548,000	3.2%	279,548,000	4.1%	279,548,000	3.1%
Parklane International Holdings Limited (note 3)	140,592,592	3.6%	140,592,592	2.1%	140,592,592	1.6%	140,592,592	2.1%	140,592,592	1.6%
Equity Valley Investments Limited and Pridelful Future Investments Limited (note 4)	199,456,276	5.1%	199,456,276	3.0%	199,456,276	2.2%	199,456,276	2.9%	199,456,276	2.2%
<b>Public Shareholders</b>										
Gracious Fortune Investments Limited	157,000,000	4.0%	157,000,000	2.3%	157,000,000	1.8%	157,000,000	2.3%	157,000,000	1.7%
Villas Green Investments Limited	257,760,000	6.6%	257,760,000	3.9%	257,760,000	2.9%	257,760,000	3.8%	257,760,000	2.8%
Smartpath Investments Limited	204,752,000	5.2%	204,752,000	3.1%	204,752,000	2.3%	204,752,000	3.0%	204,752,000	2.3%
BRM Shareholders who accept the BRM Conditional Offer	—	—	1,173,275,130	17.5%	3,316,972,380	37.6%	1,269,125,115	18.6%	3,508,672,380	38.7%
FRS Shareholders who accept the FRS Conditional Offer	—	—	988,598,940	14.8%	988,598,940	11.2%	1,033,748,940	15.1%	1,033,748,940	11.4%
Holders of the Offer Shares	—	—	15,000,000	0.2%	15,000,000	0.2%	15,000,000	0.2%	15,000,000	0.2%
Holders of the HK Placing Shares	—	—	600,000,000	9.0%	600,000,000	6.8%	600,000,000	8.8%	600,000,000	6.6%
Other existing public Shareholders	2,227,826,617	57.0%	2,227,826,617	33.3%	2,227,826,617	25.2%	2,227,826,617	32.6%	2,227,826,617	24.5%
	<u>3,907,435,485</u>	<u>100.0%</u>	<u>6,684,309,555</u>	<u>100.0%</u>	<u>8,828,006,805</u>	<u>100.0%</u>	<u>6,825,309,540</u>	<u>100.0%</u>	<u>9,064,856,805</u>	<u>100.0%</u>

*Notes:*

1. These WN Shares are held by Leading Highway Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Cheng Yung Pun, a former Director who resigned on 16 February 2009.
2. These WN Shares are held by Shimmer Expert Investments Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Groom High Investments Limited. Groom High Investments Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Ms. Zhang Li, a director of a subsidiary of the Company.
3. These WN Shares are held by Parklane International, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Leung Chi Yan, a director of certain subsidiaries of the Company.
4. 96,008,000 WN Shares are held by Equity Valley Investments Limited, a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr. Luk Kin Peter Joseph, an executive Director, and 103,448,276 WN Shares are held by Prideful Future Investments Limited, a company controlled by Mr. Luk's spouse.

Based on publicly available information, the Company understands that WN Australia is the single largest shareholder (as detailed below) of BRM and FRS and that (1) the second largest shareholder of BRM holds 9.4% of the BRM Shares in issue as at 9 November 2010 and (2) the second largest shareholder of FRS holds 12.6% of the FRS Shares in issue as at 9 November 2010. Assuming (1) none of the BRM Options and FRS Options outstanding as at 9 November 2010 are exercised; (2) acceptances under the Conditional Offers resulting in WN Australia holding just over 50% of all BRM Shares and 90% of all FRS Shares (and WN Australia proceeds to compulsorily acquire any remaining FRS Shares not acquired during the Offer Period) are received; (3) such second largest shareholder of BRM accepts the BRM Conditional Offer; and (4) such second largest shareholder of FRS accepts the FRS Conditional Offer, such second largest shareholder of BRM and FRS will hold approximately 6.1% and 0.4% of the issued share capital of the Company respectively as enlarged by the issue of the Consideration WN Shares, the issue of the maximum number of Offer Shares under the Offer for Subscription and the issue of the maximum number of HK Placing Shares under the Issue Mandate.

Assuming that only the BRM Conditional Offer completes where (1) all BRM Options outstanding as at 9 November 2010 are exercised, (2) the BRM Conditional Offer is fully accepted, (3) the maximum number of Offer Shares are issued, and (4) the maximum number of HK Placing Shares are issued, the Company's issued share capital will increase to 8,031,107,865 WN Shares, of which 43.7% will be held by BRM Shareholders.

Assuming that only the FRS Conditional Offer completes where (1) all FRS Options outstanding as at 9 November 2010 are exercised, (2) the FRS Conditional Offer is fully accepted, (3) the maximum number of Offer Shares are issued, and (4) the maximum number of HK Placing Shares are issued, the Company's issued share capital will increase to 5,556,184,425 WN Shares, of which 18.6% will be held by FRS Shareholders.

In any case, the Company is not aware that any individual shareholder of BRM or FRS will become a substantial shareholder of the Company upon completion of the Conditional Offers.

## **THE GROUP'S SHAREHOLDING IN BRM AND FRS**

The Company refers to its announcements dated 24 June 2009, 29 June 2009, 18 February 2010, 1 March 2010, 22 June 2010 and 16 September 2010. As at the date of this announcement, WN Australia holds (1) 32,347,405 BRM Shares, representing 22.6% of all BRM Shares in issue and (2) 40,934,400 FRS Shares, representing 19.9% of all FRS Shares in issue. Save for the above, to the best of the Director's knowledge, information and belief and having made all reasonable enquiries, (1) BRM and the ultimate beneficial owners of BRM and (2) FRS and the ultimate beneficial owners of FRS are Independent Third Parties.

Based on the present terms and conditions of the Conditional Offers, BRM and FRS may become subsidiaries of the Company after completion of the Conditional Offers.

All BRM Shares, including those held by WN Australia and those which may be acquired by WN Australia under the BRM Conditional Offer, rank *pari passu*.

All FRS Shares, including those held by WN Australia and those which may be acquired by WN Australia under the FRS Conditional Offer, rank *pari passu*.

## **INFORMATION ON BRM**

### **Overview**

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

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

### **BRM's projects**

#### **(1) *Marillana Project***

The Marillana Project is BRM's principal project and is located in the Hamersley Iron Province, 100 kilometres north west of Newman, Western Australia. The Marillana Project covers an area of 96 square kilometres. BRM has reported that the Marillana Project contains a JORC Code compliant ore reserve of 1,001.2 million tonnes of detrital ore grading 42.36% Fe (Table 1) and 48.5 million tonnes of channel iron deposit ore grading 55.5% Fe (Table 2).

Table 1: Marillana Detrital Ore Reserves

<b>Reserve Classification</b>	<b>Tonnes (Mt)</b>	<b>Fe (%)</b>
Proven	133.2	41.55
Probable	868.0	42.48
<b>Total</b>	<b>1,001.2</b>	<b>42.36</b>

Table 2: Marillana CID Ore Reserves

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

The pre-feasibility study of the Marillana Project was completed 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 (the “DFS”) commenced in September 2009 and was completed and announced on the ASX on 29 September 2010.

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, BRM has partnered with FRS and Atlas Iron Limited to form the North West Iron Ore Alliance (“NWIOA”), a group that has secured the rights to construct a 50 million tonnes per annum (“mtpa”) berth at Port Hedland (the “NWIOA Port”). The NWIOA has also been successful with regard to progressing rail infrastructure access, with the Australian Competition and Consumer Commission granting NWIOA interim authorisation to engage in collective negotiations with the providers of rail infrastructure in the Pilbara region. The rail infrastructure options available to BRM are:

- (a) the negotiation of haulage on BHP Billiton Limited’s rail infrastructure;
- (b) the construction of a spur line to, and negotiation of access to or haulage on, Fortescue Metals Group Limited’s rail infrastructure; and
- (c) construction of an independent, ‘end-to-end’ rail line.

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

- a positive bankable feasibility study;
- ministerial environmental approval;
- completion of the NWIOA Port definitive feasibility study; and
- commercial agreements with owners of key infrastructure providers or the development of an independent, ‘end-to-end’ rail line.

Given the early stage of development of the Marillana Project, BRM will require a significant amount of capital to advance it to eventual production. Current estimates from the DFS announced on 29 September 2010 indicate capital costs of up to AUD1.9 billion which is significantly more than BRM’s cash balance of approximately AUD78 million (as disclosed in BRM’s Mining Exploration Entity Quarterly Report for the quarter ended 30 September 2010). The DFS did not consider an independent, ‘end-to-end’ railway option — this capital expenditure would be in addition to the estimates released by BRM.

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

BRM also owns the Duck Creek, West Hamersley, Mt Stuart and Ophthalmia iron ore projects in the West Pilbara region of Western Australia. BRM 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.

## **(3) *Other projects***

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

BRM has a 40% interest in the Irwin-Coglia nickel-cobalt laterite joint venture (the “JV”) located 150 kilometres south east of Laverton in Western Australia. The remaining 60% interest in the JV is held by Murrin Murrin Holdings Pty Ltd and Glenmurrin Pty Ltd. Since establishing the JV, 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.

The above-mentioned amounts in respect of BRM’s mineral resources are prepared in compliance with the JORC Code.

## Financial information

Based on BRM's annual financial report for the year ended 30 June 2010, it recorded audited net assets of approximately AUD81.7 million (equivalent to approximately HK\$638.9 million) as at 30 June 2010. BRM's projects were under exploration development stage and did not generate any turnover for the years ended 30 June 2009 and 2010. The table below sets out the loss before and after taxation of BRM for the years ended 30 June 2009 and 2010.

	For the year ended		For the year ended	
	30 June 2009		30 June 2010	
	Audited		Audited	
	<i>AUD '000</i>	<i>HK\$ '000</i>	<i>AUD '000</i>	<i>HK\$ '000</i>
Loss before taxation	15,212	118,958	24,239	189,549
Loss after taxation	14,751	115,353	24,239	189,549

## INFORMATION ON FRS

### Overview

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

FRS 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 FRS. FRS's main focus is the development of the FerrAus Pilbara Project (as described below).

### FRS's projects

#### (1) *FerrAus Pilbara Project*

The FerrAus Pilbara Project is located northwest of Robertson Range and 35 kilometres east of BHP Billiton Limited'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 Murramura Iron Ore Project. The JORC Code compliant mineral resource at the FerrAus Pilbara Project totals 316.4 million tonnes with 210.7 million tonnes of higher grade resource (Table 3) and 105.6 million tonnes of medium grade resource (Table 4).

Table 3: High Grade Mineral Resources (+55% Fe)

Area	Resource						
	Classification	Tonnes (Mt)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	P (%)	LOI (%)
Robertson Range	Measured	23.4	58.93	2.71	4.54	0.109	7.69
	Indicated	20.7	58.98	2.99	5.40	0.104	6.48
	Inferred	10.6	58.11	3.37	6.56	0.097	6.15
	<b>Total</b>	<b>54.6</b>	<b>58.79</b>	<b>2.94</b>	<b>5.26</b>	<b>0.105</b>	<b>6.93</b>
Davidson Creek	Measured	9.5	58.10	2.83	4.31	0.078	9.12
	Indicated	91.6	58.70	2.43	4.44	0.082	8.63
	Inferred	55.0	57.96	2.67	4.92	0.100	8.72
	<b>Total</b>	<b>156.1</b>	<b>58.40</b>	<b>2.54</b>	<b>4.60</b>	<b>0.088</b>	<b>8.69</b>
<b>Total (+55% Fe)</b>		<b>210.7</b>	<b>58.50</b>	<b>2.64</b>	<b>4.77</b>	<b>0.092</b>	<b>8.23</b>

Table 4: Medium Grade Inferred Mineral Resources (50-55% Fe)

Area	Tonnes (Mt)	Fe (%)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	P (%)	LOI (%)
Robertson Range	16.2	53.00	5.40	8.51	0.123	8.85
Davidson Creek	89.4	53.21	5.12	8.38	0.080	9.32
<b>Total</b>	<b>105.6</b>	<b>53.18</b>	<b>5.17</b>	<b>8.40</b>	<b>0.086</b>	<b>9.25</b>

On 24 February 2010, FRS completed a positive scoping study on the FerrAus Pilbara Project and as a result, commenced the pre-feasibility study. FRS aims to complete the pre-feasibility study in November 2010 and definitive feasibility study by early 2011. In addition to the pre-feasibility study, FRS's core activities are the completion of infill drilling activities, metallurgical test work, hydrology studies, environmental studies, process flow design, regulatory approvals and technical marketing of the product.

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. As stated above, FRS is also a member of the NWIOA that has secured the rights to construct the NWIOA Port and has been granted authorisation to engage in collective negotiations with the providers of rail infrastructure in the Pilbara region. The two rail infrastructure options available to FRS are:

- (a) the construction of a spur line to, and negotiation of haulage on, BHP Biliton Limited's rail infrastructure; and

- (b) the construction of a spur line to, and negotiation of access to or haulage on, Fortescue Metals Group Limited's rail infrastructure.

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

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

Given the early stage of development of the FerrAus Pilbara Project, FRS will require a significant amount of capital to advance it to eventual production. Current estimates from FRS's scoping study announced on 24 February 2010 indicate capital costs which are significantly greater than FRS's cash balance of approximately AUD22 million (as disclosed in FRS's Mining Exploration Entity Quarterly Report for the quarter ended 30 September 2010). The scoping study did not consider an independent, 'end-to-end' railway option — this capital expenditure would be in addition to the estimates released by FRS.

The above-mentioned mineral resources amounts of the FerrAus Pilbara Project are prepared in compliance with the JORC Code.

## **(2) *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.

### *Financial information*

Based on FRS's annual financial report for the year ended 30 June 2010, it recorded audited net assets of approximately AUD84.9 million (equivalent to approximately HK\$663.9 million) as at 30 June 2010. FRS's projects were under exploration development stage and did not generate any turnover for the years ended 30 June 2009 and 2010 apart from interest income, fuel sales and other income. The table below sets out the loss before and after taxation of FRS for the years ended 30 June 2009 and 2010.

	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>30 June 2009</b>		<b>30 June 2010</b>	
	<b>Audited</b>		<b>Audited</b>	
	<i>AUD '000</i>	<i>HK\$ '000</i>	<i>AUD '000</i>	<i>HK\$ '000</i>
Loss before taxation	3,151	24,641	8,325	65,102
Loss after taxation	2,918	22,819	8,290	64,828

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

### **Background information on the Group**

The Company, through its subsidiaries, is principally engaged in:

- (a) the exploitation, processing and sales of mineral resources, including copper, zinc and lead ore concentrates in the PRC;
- (b) the provision of limousine rental and airport shuttle bus transportation services in Hong Kong and the PRC; and
- (c) the investment of funds in equity securities.

### ***Mining business***

Luchun Xingtai Mining Company Limited (“Luchun Xingtai”), a Sino-foreign equity joint venture enterprise established in February 2004 in the PRC which is indirectly 90% owned by the Company, is engaged in the exploitation, processing and sale of copper ore concentrate. Luchun Xingtai owns 100% of the Damajianshan Mine. In the financial year ended 31 December 2009 (“FY2009”) and the six-month period ended 30 June 2010 (“FP2010”), Luchun Xingtai’s production volume of copper concentrate was approximately 340 tonnes and 125 tonnes respectively, and its sales of copper concentrate was amounted to approximately 410 tonnes and 74 tonnes. For FY2009 and FP2010, the Company 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, the Company 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. The Company will continue to develop its existing mine in the PRC with a view to increasing the Group’s copper production and revenue.

The Company plans to be a developer of strategic mining assets in politically stable, mineral resource-rich countries. Over the past two years, the Group has restructured its business to focus on strategic acquisitions of iron ore projects and, to augment this objective, the development of its copper operation. The Company 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.

Following the Conditional Offers, the 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 BRM and FRS.

### ***Other business of the Group***

The limousine rental and airport shuttle bus business is carried through another wholly-owned subsidiary of the Company, 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. Currently, the Group has a fleet of 133 limousine cars serving major hotels, corporate and individual customers. The Group recorded a total turnover of HK\$80.6 million from its limousine rental and airport shuttle business in Hong Kong and the PRC for the FY2009 and approximately HK\$51.8 million for the FP2010. The Company believes that this business segment will continue to provide a stable revenue and income source to the Group.

The Company does not have any current intention to downsize its existing business, nor are there any agreements, arrangements, understandings or negotiations for the disposal or termination of the Group's existing business.

### **Reasons for and benefits of the Conditional Offers**

The Conditional Offers represent a significant step for the Company in achieving its plan to become a developer of strategic mining assets. If the Conditional Offers are successful, to the Company's knowledge, the Company will become the only listed company on the Stock Exchange developing significant Australian hematite iron ore projects. The Enlarged Group's JORC Code compliant iron ore mineral resource currently totals more than 1.8 billion tonnes. With such a large resource inventory, the Enlarged Group will be able to position itself as a meaningful iron ore producer both in the Pilbara region, and globally.

Through the Conditional Offers, the Company is seeking to maximise benefits to its current and future shareholders. The Enlarged Group expects to progress its Australian iron ore projects to production and aims to be a significant iron ore producer by global standards. The Enlarged Group will be a larger, more financially secure and growth focused company with an expanded multi-mine asset base. Accordingly, the Directors believe that investing in the BRM Shares and the FRS Shares through the Conditional Offers represents a good investment and business opportunity.

Following the close of the Conditional Offers, the Company intends to conduct a review of the operations, assets, structure and employees of BRM and FRS (the “Review”) to identify:

- (1) business opportunities and areas of revenue generation which may provide overall strategic operational benefit;
- (2) areas of costs saving which may provide overall strategic and operational benefit; and
- (3) any business or businesses which do not fit into the strategic plan for BRM and/or FRS and to evaluate the best and most appropriate way of organising such business or businesses.

Final decisions will only be reached after the Review and in light of all material facts and circumstances.

### ***BRM Conditional Offer***

It is the Company’s current intention to continue the operation of BRM’s existing business and in particular to focus on the rapid development of the Marillana Project. Although not finalised at the time of this announcement, if WN Australia is successful in gaining a 90% or more interest in BRM through acceptances of the BRM Conditional Offer and then compulsorily acquires any minority interests, the Company’s focus is likely to include:

- completing the bankable feasibility study on the Marillana Project;
- progressing the NWIOA Port definitive feasibility study;
- negotiating rail agreements necessary to support the Marillana Project;
- on completion of the feasibility studies, proceeding to secure the development capital and/or project finance required to develop the Marillana Project and related infrastructure;
- targeting the development of the Marillana Project to achieve first production (with a production rate of 17 mtpa) as soon as practicable; and
- assessing BRM’s assets to determine the prospectivity of exploration potential and determining how best to assign resources to undertake such exploration.

The Company may appoint its own nominees to join the BRM Board. The Company currently intends to keep some, or possibly all, of the members of the BRM Board and the board of directors of any company in respect of which BRM has nominee directors.

If upon completion of the BRM Conditional Offer, WN Australia obtains ownership of less than 90% of BRM but gains effective control of BRM, the Company will, through its nominees on the BRM Board, participate in the board deliberations and decision making on the funding requirements for the Marillana Project and for BRM generally. The funding alternatives may include debt, equity or a combination of both. In the event of any debt fund raising by BRM, the Company will use its reasonable endeavours to assist BRM in procuring funds required for the short and long term development of its projects. In the event of any equity fund raising by BRM, it is the Company's current intention to participate in the fund raising by, (1) if the fundraising is by way of placement, subscribing for shares or, (2) if the fundraising is by way of a rights issue, by taking up its rights and offering to act as underwriter or sub-underwriter to the issue.

### ***FRS Conditional Offer***

It is the Company's current intention to continue the operation of FRS's existing business and in particular to focus on the development of the FerrAus Pilbara Project. Although not finalised at the time of this announcement, if WN Australia is successful in gaining a 90% or more interest in FRS through acceptances of the FRS Conditional Offer and then compulsorily acquires any minority interests, the Company's focus is likely to include:

- completing the pre-feasibility study and subsequently commencing a definitive feasibility study on the FerrAus Pilbara Project;
- progressing the NWIOA Port definitive feasibility study;
- negotiating rail agreements necessary to support the FerrAus Pilbara Project;
- on completion of the definitive feasibility studies, proceeding to secure the development capital and/or project finance required to develop the FerrAus Pilbara Project and related infrastructure;
- targeting the development of the FerrAus Pilbara Project to achieve first production (with a production rate of 15 mtpa) as soon as practicable; and
- assessing FRS's assets to determine the prospectivity of exploration potential and determining how best to assign resources to undertake such exploration.

The Company may appoint its own nominees to join the FRS Board. The Company currently intends to keep some, or possibly all, of the members of the FRS Board and the board of directors of any company in respect of which FRS has nominee directors.

If upon completion of the FRS Conditional Offer, WN Australia obtains ownership of less than 90% of FRS but gains effective control of FRS, the Company will, through its nominees on the FRS Board, participate in the board deliberations and decision making on the funding requirements for the FerrAus Pilbara Project and for FRS generally. The funding alternatives may include debt,

equity or a combination of both. In the event of any debt fund raising by FRS, the Company will use its reasonable endeavours to assist FRS in procuring funds required for the short and long term development of its projects. In the event of any equity fund raising by FRS, it is the Company's current intention to participate in the fund raising by, (1) if the fundraising is by way of placement, subscribing for shares or, (2) if the fundraising is by way of a rights issue, by taking up its rights and offering to act as underwriter or sub-underwriter to the issue.

The Company will issue further announcements and comply with the then applicable requirements under the Listing Rules if the Company decides to provide any financial support to BRM and/or FRS after completion of the Conditional Offers.

### **Reasons for the Offer for Subscription and use of proceeds**

The purposes of the Offer for Subscription are to:

- (1) list the Company on the ASX, which will provide the Company with additional financial flexibility to pursue growth opportunities and improve its access to capital markets;
- (2) provide a sufficient shareholder spread in Australia for the Company's ASX listing application;
- (3) finance the transaction costs incurred by the Group in connection with the Offer for Subscription and the Conditional Offers; and
- (4) provide a certain level of market liquidity for trading in the WN Shares on the ASX.

The gross proceeds of the Offer for Subscription will be up to AUD3 million (equivalent to approximately HK\$23.5 million). The estimated net proceeds, after the deduction of all related expenses, will be up to approximately AUD2.2 million (equivalent to approximately HK\$17.2 million), representing a net issue price of approximately AUD0.15 (equivalent to approximately HK\$1.17) per Offer Share. The proceeds will be used to finance the transaction costs incurred by the Group, as detailed above. Any proceeds from the exercise of the WN Options will be used as general working capital for the Group.

For illustrative purposes, if the maximum number of WN Options are issued pursuant to the Offer for Subscription and are exercised in full, the maximum gross and net proceeds would be approximately AUD3 million (equivalent to approximately HK\$23.5 million; representing a net issue price of AUD0.20 (equivalent to approximately HK\$1.56) per WN Share.

## **Reasons for the Issue Mandate and use of proceeds**

For illustration purposes only, based on the average closing price of the WN Shares for the 20 trading days immediately prior to the issue of this announcement of HK\$1.68 and the above conditions on determining the HK Placing Price, the minimum issue price per new WN Share under the Issue Mandate would be HK\$1.30. If the Issue Mandate is utilised in full, based on the above illustrative HK Placing Price, 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 (equivalent to a net issue price of approximately HK\$1.24).

It is intended that the net proceeds will be used to support any financing of capital expenditure of the projects of BRM and/or FRS after completion of the Conditional Offers. As mentioned above, BRM and FRS may require more funding to finance their respective exploration and development activities. The Company considers that this Issue Mandate will allow the Company additional flexibility in supporting the development of BRM and/or FRS after the Group has acquired further significant interests in each of BRM and FRS via the Conditional Offers.

Pursuant to a general mandate granted to the Directors, up to 345,887,097 new WN Shares may be issued. The currently available general mandate does not allow the Company to allot and issue such number of new WN Shares which the Company considers may be needed. The Issue Mandate, if approved by the Shareholders, will allow the Company to allot and issue up to 600,000,000 new WN Shares. The Company considers that it is in its interests to save the available general mandate for possible future fund raising should any attractive business opportunity arise. The Company is also of the view that the Issue Mandate will allow it to issue new WN Shares for fund raising within a relatively short period of time after completion of the Conditional Offers as compared with other equity fund raising means, including rights issue and open offer which involve a longer timeframe to complete. The Company believes that this will allow them better flexibility in providing quick financial support (if necessary) to BRM and/or FRS with a view to facilitating and expediting their development and growth.

## **LISTING RULES REQUIREMENTS**

Under the Listing Rules, based on implied offer value of the Conditional Offers, the acquisition of BRM Shares under the BRM Conditional Offer and the acquisition of FRS Shares under the FRS Conditional Offer, together with the acquisitions or subscriptions of BRM Shares and FRS Shares by the Group in the 12 months prior to the date of this announcement, in aggregate, constitutes very substantial acquisitions for the Company as some of the size tests, calculated pursuant to Rule 14.07 of the Listing Rules, exceed 100%. Accordingly, the Conditional Offers are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The transactions under the Conditional Offers, the Offer for Subscription and the Issue Mandate are conditional on, among other things, Shareholders' approval at general meeting, voting by poll. No Shareholder is required to abstain from voting at the SGM, unless such Shareholder has a material

interest in the Conditional Offers, the Offer for Subscription or the Issue Mandate (as the case may be), other than being a Shareholder. The Company is not aware of any Shareholder required to abstain from voting at the SGM.

The Company will issue a circular as soon as possible before 1 December 2010, setting out, among other things, details of the Conditional Offers, further information on the Group, BRM, FRS, details of the Offer for Subscription (including, among other things, detailed terms of the WN Options), details of the Issue Mandate and the notice of the SGM to the Shareholders. If the Company enters into any agreement in respect of the placing of the HK Placing Shares before the despatch of the circular, the Company will make an announcement regarding the entering into of the placing agreement and set out the terms of the placing agreement in the circular.

Pursuant to the Listing Rules, the Company is required to set out in the circular, among other things, an accountants' report on BRM and FRS setting out financial information for at least the last three completed financial years and any additional interim period ended within 6 months from the date of the circular, an indebtedness statement of the Enlarged Group, a working capital sufficiency statement of the Enlarged Group, technical reports on the estimated mineral reserves owned by the BRM Group and the FRS Group, details of any litigation and claims of the BRM Group or the FRS Group which are of material importance and any material contracts of the BRM Group and the FRS Group. BRM and FRS are listed companies on the ASX. As the Conditional Offers are not invited by the BRM Board and FRS Board, and in view of the restriction on purchasing BRM Shares and FRS Shares which BRM and FRS required in connection with the Company's request for non-publicly available information the Company does not have the co-operation of the respective board of directors of BRM and FRS and thus does not have access to non-public information and records necessary for the preparation of the above reports and disclosures. Accordingly, the Company will not be able to include such information/reports in its circular. Nevertheless, the Company will include in its circular the information required under Rule 14.67A(2), including, among other things, the published audited financial information of BRM and FRS for the preceding three years and the latest published unaudited interim accounts together with qualitative explanation of the principal differences between the accounting standards of BRM and FRS, and those of the Company which may have a material impact on the financial statements of BRM and/or FRS, the relevant published information of the mining operations of BRM and FRS and any other publicly available information of the BRM Group and FRS Group which will enable Shareholders to evaluate the Conditional Offers and make an informed voting decision with respect to the Conditional Offers.

Pursuant to a letter issued by the Stock Exchange and Rule 14.67A of the Listing Rules, the Company will, after the completion of the Conditional Offers, issue a supplemental circular to Shareholders in the manner described in Rule 14.67A(3) which will contain all the disclosures required under Rules 14.66, 14.67 and 18.09 of the Listing Rules that would have been excluded from the initial circular. Pursuant to Rule 14.67A(3), the Company is required to despatch the supplemental circular to Shareholders within 45 days of the earlier of (1) the Group being able to gain access to the necessary books and records of the BRM Group or the FRS Group and (2) the Group being able to exercise control over BRM or FRS. Should the Company require more time to prepare the supplemental circular, the Company will apply to the Stock Exchange for an extension for the despatch of the supplemental circular and make an announcement in this regard.

In connection with the proposed listing of WN Shares on the ASX and to comply with the relevant rules of ASX, the Company proposes to make some relative amendments to the Bye-laws, which are subject to the approval of Shareholders at general meeting. The Company will set out the detailed proposed changes to the Bye-laws in the circular to be despatched to Shareholders in connection with the Conditional Offers.

## **INCREASE IN AUTHORISED SHARE CAPITAL**

Furthermore, in order to accommodate the issue of the maximum number of Consideration WN Shares under the Conditional Offers, the maximum number of Offer Shares and WN Option Shares under the Offer for Subscription and the number of HK Placing Shares under the Issue Mandate, the Company proposes to increase its authorised share capital. The current authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 WN Shares, of which 3,907,435,485 WN Shares are in issue as at the date of this announcement. The Board proposes to increase the authorised share capital of the Company to HK\$1,000,000,000 divided into 10,000,000,000 WN Shares, by the creation of an additional 6,000,000,000 WN Shares. The proposed increase in authorised share capital of the Company is subject to the approval of Shareholders at general meeting. In connection with the Conditional Offers, the Company will seek approval from the Shareholders for, among other things, the allotment and issue of the Consideration WN Shares. The resolution in respect of the allotment and issue of the Consideration WN Shares will in turn be subject to the Shareholders' approval of a separate resolution increasing the authorised share capital of the Company. Accordingly, if the Shareholders do not approve the increase in authorised share capital of the Company, any approval of the Shareholders for the allotment of and issue of the Consideration WN Shares will not become effective and thus the Conditional Offers will not become unconditional and will lapse. The Company will set out the details of the proposed increase in authorised share capital of the Company in the circular to be despatched to Shareholders in connection with the Conditional Offers.

## **REMUNERATION OF DIRECTORS**

The Bye-laws provide that the Directors' remuneration shall be determined by the Company in general meeting. The Shareholders passed the resolution at the Company's annual general meeting on 14 May 2010 to authorise the Board to fix the Directors' remuneration. The Company intends to fix a maximum sum of AUD2 million (equivalent to approximately HK\$15.6 million) in aggregate for executive Directors and AUD1 million (equivalent to approximately HK\$7.8 million) in aggregate for non-executive Directors, per annum. Such maximum Directors' remuneration will be put to Shareholders for approval at the SGM.

## **GENERAL**

The Company will issue further announcements informing Shareholders and potential investors on the progress of the Conditional Offers, the Offer for Subscription and/or the Issue Mandate as and when appropriate or required.

Shareholders and potential investors should note that the Conditional Offers, the Offer for Subscription and the listing of WN Shares on the ASX and the Issue Mandate are conditional on and subject to various terms and conditions and may or may not be completed. They are advised to be cautious when dealing in the Company's securities.

Trading in the WN Shares on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 10 November 2010 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the WN Shares with effect from 9:30 a.m. on 11 November 2010.

As at the date of this announcement, the Board of the Company comprises Mr. Luk Kin Peter Joseph and Mr. Chan Kam Kwan, Jason as executive Directors, and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive Directors.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement Date”	the day the Conditional Offers were announced, being 10 November 2010
“ASIC”	Australian Securities and Investments Commission
“Associate”	has the meaning given in section 12 of the Corporations Act
“ASX”	ASX Limited (trading as the Australian Securities Exchange)
“ASX Listing Rules”	the official listing rules of the ASX, as amended from time to time
“AUD”	Australian dollars, the lawful currency of Australia
“Bidder's Statement(s)”	each of, and where the case requires it, both, the offer documents to be issued by WN Australia in respect of each of the Conditional Offers
“Bid Period”	the period starting when the Bidder's Statement is given to BRM or FRS (as the case may be) and ending at the end of the Offer Period

“Board”	the board of Directors of the Company
“BRM”	Brockman Resources Limited ACN 009 372 150, the ordinary shares of which are listed on ASX
“BRM Board”	the board of directors of BRM
“BRM Conditional Offer”	the takeover offer by WN Australia to acquire all the BRM Shares not held by it as set out in the Bidder’s Statement
“BRM Group”	BRM and its subsidiaries
“BRM Options”	options issued by BRM carrying rights to subscribe for new BRM Shares subject to the terms and conditions of the options
“BRM Shareholders”	holders of any BRM Shares
“BRM Shares”	ordinary fully paid shares in BRM
“Bye-laws”	the bye-laws of the Company
“Company”	Wah Nam International Holdings Limited, the shares of which are listed on the Stock Exchange
“Conditional Offer(s)”	the BRM Conditional Offer and/or the FRS Conditional Offer (as the case may be)
“Consideration WN Shares”	WN Shares which may be issued by the Company as the consideration for the Conditional Offers
“Corporations Act”	the Australian Corporations Act 2001 (Cth)
“Directors”	the directors of the Company
“Enlarged Group”	the Group, the BRM Group and the FRS Group
“FRS”	FerrAus Limited ACN 097 422 529, the ordinary shares of which are listed on ASX
“FRS Board”	the board of directors of FRS
“FRS Class B Shares”	class B performance shares issued by FRS

“FRS Conditional Offer”	the takeover offer by WN Australia to acquire all the FRS Shares not held by it as set out in the Bidder’s Statement
“FRS Group”	FRS and its subsidiaries
“FRS Options”	options issued by FRS carrying rights to subscribe for new FRS Shares subject to the terms and conditions of the options
“FRS Shareholders”	holders of any FRS Shares
“FRS Shares”	ordinary fully paid shares in FRS
“Group”	the Company and its subsidiaries
“HK Placing Price”	the placing price per HK Placing Share determined in accordance with the conditions set out in the paragraph headed “HK Placing Price” of this announcement
“HK Placing Shares”	up to 600,000,000 new WN Shares to be issued by the Company pursuant to the Issue Mandate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Implied Offer Value”	the value of the offer consideration for the BRM Conditional Offer and/or the FRS Conditional Offer (as the case may be) based on the volume weighted average price of WN Shares over two consecutive trading days within the five business days prior to the despatch of the Bidder’s Statements
“Independent Third Parties”	independent third parties who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)
“Issue Mandate”	a specific mandate proposed to be granted by Shareholders at general meeting to the Board by way of an ordinary resolution authorising and allowing the Board to allot and issue up to 600,000,000 new WN Shares subject to the terms and conditions as detailed in the paragraph headed “Conditions of the Issue Mandate” in this announcement

“Issue Price”	the issue price of AUD0.20 (equivalent to approximately HK\$1.56) per Offer Share
“JORC Code”	the Australasia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (4th Edition)
“Lead Manager”	Capital Investment Partners Pty Ltd ACN 110 468 589, a firm which provides investment banking services primarily in Australia
“Lead Manager Mandate”	the mandate letter entered into between the Company and the Lead Manager on the date of this announcement in relation to the Offer for Subscription
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer for Subscription”	the invitation to subscribe for up to 10 million Offer Shares with provision to accept up to a further 5 million Offer Shares (with one free attaching WN Option for each Offer Share subscribed for) pursuant to the Prospectus
“Offer Period”	the period during which the Conditional Offers remain open which will commence on the date when the Bidder’s Statement is despatched to BRM Shareholders and FRS Shareholders and will end on such date as set out in the Bidder’s Statement, or such later date to which the Conditional Offers have been extended
“Offer Shares”	up to 15 million new WN Shares to be issued by the Company pursuant to the Prospectus
“PRC”	the People’s Republic of China
“Prescribed Occurrence”	the events set out in sections 652C(1) and (2) of the Corporations Act
“Prospectus”	the prospectus which will be lodged by the Company with the ASIC shortly after this announcement which includes the offer of the Offer Shares
“Register Date”	the day set by WN Australia under section 633(2) of the Corporations Act
“Relevant Interest”	has the meaning given in sections 608 and 609 of the Corporations Act

“S&P/ASX300 Index”	the S&P/ASX 300 index is a market-capitalisation weighted and float-adjusted stock market index of Australian stocks listed on the ASX from Standard & Poor’s
“SGM”	the special general meeting to be convened and held by the Company to seek approvals from Shareholders for, among other things, the Conditional Offers, the Offer for Subscription and the Issue Mandate
“Shareholders”	holders of any WN Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Panel”	the Australia Takeovers Panel, a peer review body that regulates corporate control transactions in widely held Australian entities, and resolution of takeover disputes
“Voting Power”	has the meaning given in section 610 of the Corporations Act
“VWAP”	volume weighted average price
“WN Australia”	Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of the Company
“WN Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“WN Options”	up to 15 million options to be issued by the Company free pursuant to the Offer for Subscription, on the basis of one free attaching option for each Offer Share subscribed for; each entitles the holder to subscribe for one WN Option Share at the exercise price of AUD0.20 (subject to adjustment pursuant to the terms of the WN Options) at any time before the expiry date of 30 September 2014
“WN Option Shares”	new WN Shares which may fall to be issued by the Company upon exercise of the subscription rights attaching to the WN Options

By order of the board  
**Wah Nam International Holdings Limited**  
**Luk Kin Peter Joseph**  
*Chairman*

10 November 2010, Hong Kong

*AUD is converted into HK\$ at an exchange rate of AUD1.00 = HK\$7.82 for illustrative purposes in this announcement.*