

CLAYTON UTZ

Bid Implementation Agreement

Brockman Resources Limited
Brockman

Wah Nam International Holdings Limited
Wah Nam

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Bid Implementation Agreement dated 12 December 2011

Parties

Brockman Resources Limited ACN 009 372 150 of Level 1, 117 Stirling Highway, Nedlands WA 6009, Australia (**Brockman**)

Wah Nam International Holdings Limited of Room 2805, 28/F., Shun Tak West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong (**Wah Nam**)

Background

- A. Brockman is listed on the ASX, and Wah Nam is listed on the HKEx and the ASX.
- B. Wah Nam proposes to make a Bid. The Independent Brockman Board proposes to recommend that Bid in the absence of a Superior Proposal for Brockman and subject only to the Independent Expert concluding that the Bid is fair and reasonable to Brockman Shareholders.
- C. The parties have agreed to certain matters in relation to the conduct of the Bid as set out in this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement:

Announcement Date means the date on which the Joint Announcement is made, being on or about the date of this agreement.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning given in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of the ASX, as amended from time to time.

Bid means an off-market takeover bid under Chapter 6 of the Corporations Act under which Wah Nam offers to acquire all Brockman Shares (in which it does not already have a Relevant Interest) an announcement of which is made on or about the date of this agreement.

Bidder's Statement means the bidder's statement to be prepared by Wah Nam in connection with the Bid in accordance with Chapter 6 of the Corporations Act.

Bid Consideration means A\$1.50 cash plus 18 Wah Nam Shares for each Brockman Share held.

Bid Terms means the terms and conditions set out in Schedule 1.

Brockman Group means Brockman and its Subsidiaries.

Brockman ITM Option means an unlisted Brockman Option with an exercise price of A\$1.25 or A\$1.30.

Brockman ITM Options Offer means an offer made by Wah Nam to each of the Brockman ITM Option holders to acquire the Brockman ITM Options on the terms set out in Schedule 2.

Brockman Option means an option over unissued Brockman Shares.

Brockman Option Cancellation Offers has the meaning given in clause 4.7(b)(ii).

Brockman Senior Executives means the chief financial officer and company secretary of Brockman, from time to time.

Brockman Share means a fully paid ordinary share in the capital of Brockman.

Brockman Shareholder means each person who is registered as a holder of a Brockman Share.

Brockman Share Register means the register of members of Brockman maintained by or on behalf of Brockman in accordance with section 168(1) of the Corporations Act.

Business Day is any day that is both a business day within the meaning given in the ASX Listing Rules and a day (other than a Saturday) that banks in Perth, Western Australia and Hong Kong are open for business.

Bye-laws means Wah Nam's constitution as amended from time to time.

Closing Date means the date on which the Offer Period in respect of the Bid ends.

Communications means advertising and communications (whether written or oral, and whether direct or via agents, consultants or advisers) with any shareholders, Regulatory Authority, rating agency or media outlet relating to the Bid.

Competing Proposal means any proposed transaction or arrangement (including any takeover bid, scheme of arrangement, share or asset sale, capital reduction or buy back, joint venture or dual listed company structure) under which a person other than Wah Nam or any of its Associates would, subject to satisfaction of conditions:

- (a) acquire control (as defined in section 50AA of the Corporations Act) of Brockman;
- (b) become the holder of a Relevant Interest in 10% or more of the shares in Brockman;
- (c) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the assets or business of Brockman and its Subsidiaries;
- (d) otherwise acquire or merge with Brockman; or
- (e) enter into any agreement or understanding requiring the Independent Brockman Board to recommend a proposal referred to in paragraphs (a) to (d).

Conditions means the Bid conditions set out in paragraph 3 of Schedule 1.

Convertible Bond means the bonds in the aggregate principal amount of HK\$173,940,000 to be issued to Ocean Line Holdings Ltd pursuant to the Subscription Agreement.

Convertible Securities means any securities which confer on the holder the right to have Brockman Shares issued to them.

Corporations Act means the Corporations Act 2001 (Cth).

Counterproposal has the meaning given in clause 5.7.

End Date means such date as is the last day of the Exclusivity Period or such later date agreed by the parties in writing.

Exclusivity Period means the period commencing on the date of this agreement and ending on the earlier of:

- (a) the date this agreement is lawfully terminated in accordance with its terms; and
- (b) the Closing Date.

GST has the meaning given in the GST Act.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

HKEx means The Stock Exchange of Hong Kong Limited.

HKEx Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.

Indemnified Loss means, in relation to any fact, matter or circumstance, all losses, costs, damages, expenses, penalties and other liabilities arising out of or in connection with that fact, matter or circumstance and including all legal and other professional expenses on a solicitor-client basis incurred in connection with investigating, disputing, defending or settling any claim, action, demand or proceeding relating to that fact, matter or circumstance (including any claim, action, demand or proceeding based on the terms of this agreement).

Independent Brockman Board means the directors of Brockman from time to time but does not include those board members who are nominees of, or were suggested to Brockman by, Wah Nam, being Peter Luk, Howard Chu, Richard Wright, Robert Brierley and Warren Beckwith.

Independent Brockman Director means an independent director of Brockman from time to time but does not include those directors who are nominees of, or were suggested to Brockman by, Wah Nam, being Peter Luk, Howard Chu, Richard Wright, Robert Brierley and Warren Beckwith.

Independent Expert means the independent expert to be engaged by Brockman to express an opinion on whether the Bid is fair and reasonable to Brockman Shareholders.

Joint Announcement means an announcement made by each of Brockman and Wah Nam in respect of the transactions contemplated by this agreement in the form agreed by the parties.

Offer means the offer by Wah Nam to acquire all the Brockman Shares pursuant to the Bid.

Offer Period means the period during which the Offer will remain open for acceptance.

Placement means the placement of the Placement Shares pursuant to the Underwriting Agreement.

Placement Shares means 130,000,000 Wah Nam Shares to be issued pursuant the Underwriting Agreement.

Regulatory Authority means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and

- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including a court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including the ASX and the HKEx.

Reimbursement Fee means a fee up to a maximum amount of A\$1,000,000 (including GST) for Brockman's reasonable legal costs and costs relating to the Independent Expert and the technical consultant incurred and paid in relation to the Bid.

Relevant Interest has the meaning given in section 9 of the Corporations Act.

Representative means, in respect of a party, its Related Bodies Corporate and each director, officer, employee, advisor, agent or representative of that party and its Related Bodies Corporate.

Shareholder Loan means a loan agreement entered into between Brockman and its employees in relation to the exercise of Brockman Options.

Standard Rate in relation to interest payable on any payment due under this agreement means the rate which is the 90 day Bank Bill Swap Reference Rate (Average Bid) as published in the Australian Financial Review on the first date on which interest accrues on that payment (or if that rate or publication is not published, the rate determined by the payee, acting reasonably, to be the nearest equivalent rate having regard to prevailing market conditions) plus (in either case) a margin of 2% per annum.

Subscription means the issue of the Subscription Shares and Convertible Bond to Ocean Line Holdings Ltd pursuant to the Subscription Agreement.

Subscription Agreement means the subscription agreement entered into by Wah Nam and Ocean Line Holdings Ltd on or about the date of this agreement, under which Ocean Line Holdings Ltd agrees to subscribe for the Subscription Shares and Convertible Bond.

Subscription Shares means 555,100,000 Wah Nam Shares to be issued to Ocean Line Holdings Ltd pursuant to the Subscription Agreement.

Subsidiary has the meaning given to that term in section 9 of the Corporations Act.

Superior Proposal means a Competing Proposal which:

- (a) is bona fide and in writing and in the determination of the Independent Brockman Board acting in good faith after consultation with Brockman's independent advisers, is capable of being valued and completed, taking into account all aspects of the Competing Proposal (including its terms and conditions and the identity of the person or persons making it); and
- (b) in the determination of the Independent Brockman Board acting in good faith and in order to satisfy what the board considers to be its fiduciary or statutory duties would, if completed substantially in accordance with its terms, result in a transaction more favourable to Brockman Shareholders than the Bid.

Target's Statement means the target's statement to be issued by Brockman under section 638 of the Corporations Act in response to the Bid.

Timetable means the timetable set out in clause 4.1.

Third Party means a person other than a member of the Wah Nam Group.

Underwriting Agreement means the underwriting agreement between Wah Nam and Reorient Financial Markets Limited dated on or about the date of this agreement, under which Reorient Financial Markets Limited agrees to procure, on a fully underwritten basis, places for the Placement Shares.

Wah Nam Group means Wah Nam and its Subsidiaries.

Wah Nam Share means a fully paid ordinary share in the capital of Wah Nam.

Wah Nam Shareholder means each person who is registered as a holder of a Wah Nam Share.

1.2 Interpretation

In this agreement headings and words in bold are for convenience only and do not affect the interpretation of this agreement and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word indicating a gender includes every other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments and annexures to it;
- (h) a reference to a statute includes any regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (i) a reference to any time is a reference to that time in Perth, Australia;
- (j) a reference to **A\$** or **dollar** is to Australian currency, and a reference to **HK\$** is to Hong Kong currency; and
- (k) this agreement must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

2. Announcement and Bid

2.1 Announcements

- (a) Immediately after the execution of this agreement:
 - (i) Wah Nam must issue an announcement in the form of the Joint Announcement to the ASX and the HKEx; and
 - (ii) Brockman must issue an announcement in the form of the Joint Announcement to the ASX.
- (b) Subject to clause 2.1(c), each party must consult with the other party prior to making any other public announcement in connection with the Bid or including any information which could affect the Bid and in good faith considering any edits proposed by the other party.
- (c) Where a party is required by law, the ASX Listing Rules or the HKEx Listing Rules to make any announcement or make any disclosure relating to a matter the subject of the Bid, it must, to the extent practicable, consult with the other party as to the content of that announcement or disclosure and allow the other party to suggest edits, unless acting reasonably a party considers that an immediate announcement is required to be made.

2.2 Making of the Bid

- (a) Wah Nam agrees to make the Bid on terms and conditions no less favourable than the Bid Terms.
- (b) Wah Nam must, in accordance with the Corporations Act:
 - (i) lodge an Offer together with the Bidder's Statement with ASIC under section 633 of the Corporations Act; and
 - (ii) give a copy of an Offer and the Bidder's Statement to Brockman.

2.3 Wah Nam may use subsidiary

- (a) Subject to clause 2.3(b), Wah Nam may satisfy its obligations under clause 2.2 by causing a subsidiary to perform the obligations referred to in clause 2.2, in which case references to:
 - (i) the Bid are references to the Bid by that subsidiary; and
 - (ii) Wah Nam making the Bid are references to Wah Nam causing that subsidiary to make the Bid.
- (b) If clause 2.3(a) applies, Wah Nam:
 - (i) must procure that its relevant subsidiary performs Wah Nam's obligations under this agreement; and
 - (ii) guarantees to Brockman the performance of those obligations by that subsidiary.

3. Brockman's assessment of the Bid

3.1 Meeting of Independent Brockman Board

Brockman represents and warrants that the Independent Brockman Board has met and considered the possibility of Wah Nam agreeing to make the Bid.

3.2 Independent Brockman Directors' recommendation

Each Independent Brockman Director (in the Joint Announcement and in any other public statements made after the execution of this agreement and relating to the Bid) recommends that Brockman Shareholders accept the Offer in the absence of a Superior Proposal for Brockman, subject only to the Independent Expert concluding that the Bid is fair and reasonable to Brockman Shareholders.

3.3 Maintenance of recommendation

Neither an Independent Brockman Director nor the Independent Brockman Board may make any public statement or take any other action that qualifies their support of the Bid or contradicts, or subsequently change, withdraw or modify, the recommendation referred to in clause 3.2 except where:

- (a) the Independent Brockman Board determines, after Wah Nam's rights under clause 5.7 have been exhausted, that a Competing Proposal constitutes a Superior Proposal;
- (b) the Independent Expert fails to conclude that the Bid is fair and reasonable (or having given a report that, in the opinion of the Independent Expert, the Bid is fair and reasonable, gives a report changing that opinion for any reason to conclude that the Bid is not fair and reasonable); or
- (c) the Independent Brockman Board has determined in good faith, having received expert advice as appropriate, that the duties of the Independent Brockman Directors require them to change their recommendation.

3.4 Warranty

Brockman represents and warrants to Wah Nam that each Independent Brockman Director has informed Brockman that he supports the Bid and will act in accordance with clauses 3.2 and 3.3.

3.5 Brockman procurement

Brockman must procure that each Independent Brockman Director acts in accordance with his obligations under clauses 3.2 and 3.3.

3.6 Independent Brockman Directors' Intentions

Brockman represents and warrants to Wah Nam that each Independent Brockman Director has indicated their intention to accept the Offer made in respect of any Brockman Share that they own or control no later than 2 days after the last of the Conditions set out in paragraphs 3.1, 3.2, 3.3 and 3.4 of Schedule 1 ("Foreign investment approval", "Wah Nam Shareholder approval", "Subscription" and "Placement" respectively) have been satisfied, except where:

- (a) the Independent Brockman Board determines, after Wah Nam's rights under clause 5.7 have been exhausted, that a Competing Proposal constitutes a Superior Proposal; or

- (b) the Independent Expert fails to conclude that the Bid is fair and reasonable (or having given a report that, in the opinion of the Independent Expert, the Bid is fair and reasonable, gives a report changing that opinion for any reason to conclude that the Bid is not fair and reasonable).

4. Facilitating the Bid

4.1 Timetable

Each party agrees to use its best endeavours to comply with the following timetable:

12 December 2011	Joint Announcement of Bid
13 December 2011	Wah Nam lodges its Bidder's Statement with ASIC and ASX and serves it on Brockman
14 December 2011	Brockman lodges its Target's Statement with ASIC and ASX and serves it on Wah Nam
19 December 2011	Despatch of the Bidder's Statement to Brockman Shareholders
19 December 2011	Despatch of the Target's Statement to Brockman Shareholders
19 December 2011	Offer opens
20 January 2012	Close of offer (unless extended)

4.2 Bidder's Statement

- (a) Wah Nam must prepare the Bidder's Statement in compliance with the Corporations Act.
- (b) Wah Nam must within a reasonable time (but, in any event, not less than 5 Business Days) prior to lodgement of the Bidder's Statement with ASIC in accordance with item 2 of section 633(1) of the Corporations Act, provide a reasonably complete draft of the Bidder's Statement to Brockman for review by Brockman and its external legal and financial advisers.
- (c) Wah Nam will consider in good faith all reasonable and timely comments received from Brockman and its external legal and financial advisers on the draft Bidder's Statement provided under clause 4.2(b).
- (d) Wah Nam must lodge with ASIC a copy of the Bidder's Statement.
- (e) Wah Nam will despatch the Bidder's Statement and Offer to Brockman Shareholders and, for that purpose, Brockman agrees with Wah Nam for the purposes of item 6 of section 633(1) of the Corporations Act, that Wah Nam may send the Bidder's Statement to Brockman Shareholders as early as the same date on which Wah Nam sends a copy of the Bidder's Statement to Brockman in accordance with item 3 of section 633(1) of the Corporations Act (or such later date as Bidder chooses).
- (f) Brockman must provide on a timely basis any assistance and information reasonably requested by Wah Nam to enable Wah Nam to prepare and finalise the Bidder's Statement.

- (g) Brockman agrees that the offers and accompanying documents to be despatched by Wah Nam under the Bid under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by Wah Nam that is earlier than the date for despatch under item 6 of section 633(1) of the Corporations Act.

4.3 Target's Statement

- (a) Provided that a Superior Proposal has not been received by Brockman in the interim and the Independent Expert concluding that the Bid is fair and reasonable to Brockman Shareholders, the parties must, subject to clause 4.3(b), use their reasonable endeavours to:
 - (i) lodge the Bidder's Statement and the Target's Statement with ASIC at the same time; and
 - (ii) despatch the Bidder's Statement and the Target's Statement, in accordance with item 12 of section 633(1) of the Corporations Act, to Brockman Shareholders,

in accordance with the Timetable, provided that each day that Wah Nam fails to meet its obligations under clause 4.2 in relation to the Timetable, Brockman will also have a corresponding additional day to satisfy its obligations under this clause 4.3.

- (b) Brockman must prepare the Target's Statement in compliance with the Corporations Act.
- (c) Brockman must ensure that the Target's Statement contains a prominent statement to the effect that:
 - (i) the Independent Brockman Board unanimously recommends that Brockman Shareholders accept the Offer; and
 - (ii) each Independent Brockman Director intends to act in the manner described in clause 3.6,

in the absence of a Superior Proposal and subject only to the Independent Expert concluding that the Bid is fair and reasonable to Brockman Shareholders.

- (d) Brockman must within a reasonable time (but, in any event, not less than 5 Business Days) prior to lodgement of the Target's Statement with ASIC in accordance with item 13 of section 633(1) of the Corporations Act, provide a reasonably complete draft of the Target's Statement (other than the Independent Expert's report) to Wah Nam for review by Wah Nam and its external legal and financial advisers.
- (e) Brockman will consider in good faith all reasonable and timely comments received from Wah Nam and its external legal and financial advisers on the draft Target's Statement provided under clause 4.3(d).
- (f) Wah Nam must provide on a timely basis any assistance and information reasonably requested by Brockman to enable Brockman to prepare and finalise the Target's Statement.
- (g) Brockman must give Wah Nam updated information about the Brockman Share Register during the Offer Period as reasonably requested by Wah Nam to enable Wah Nam to send the Offer to persons who become Brockman Shareholders after the day referred to in clause 4.4(a).

4.4 Information about Brockman Shareholders

Brockman agrees that:

- (a) for the purposes of section 641(2) of the Corporations Act, the information requested by Wah Nam under section 641(1) of the Corporations Act in relation to the Bid must be correct on the day Wah Nam makes the request under section 641(1); and
- (b) the information requested by Wah Nam under section 641(1) must be provided to Wah Nam by the end of the next day after the day on which the information must be correct.

4.5 Promote the Bid

During the Offer Period in the absence of a Superior Proposal (which the Independent Brockman Directors recommend to Brockman Shareholders after Brockman has complied with clause 5.7), and subject only to the Independent Expert concluding that the Bid is fair and reasonable to Brockman Shareholders, Brockman will:

- (a) support, and procure that the Independent Brockman Directors will support, the Bid;
- (b) use its reasonable endeavours to procure that the Brockman Senior Executives as reasonably requested by Wah Nam will support the Bid; and
- (c) participate in efforts reasonably required by Wah Nam to promote the merits of the Bid, including meeting with key Brockman Shareholders, analysts, management, customers, press and other parties mutually agreed if reasonably requested to do so by Wah Nam,

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

4.6 Advertising and communications

Subject to clause 2.1, the parties must consult with each other (in advance, to the extent reasonably practicable) in relation to all Communications and, without limiting the generality of the foregoing, must:

- (a) if practicable, provide the other party with drafts of any written Communications proposed to be issued and make such amendments thereto as the other parties reasonably requires, provided such amendments are provided in a timely manner;
- (b) provide copies of all written Communications sent to a shareholder, Regulatory Authority, rating agency or media outlet to the other party promptly upon dispatch; and
- (c) ensure all Communications are in accordance with all applicable laws.

4.7 Options and Shareholder Loans

- (a) Wah Nam represents and warrants that it will:

- (i) as soon as reasonably practicable after the Announcement Date, make the Brockman ITM Options Offer to each Brockman ITM Option holder, which shall be subject to the Offer being declared unconditional and, at the end of the Offer Period, Wah Nam having a Relevant Interest in at least 90% of all Brockman Shares; and
 - (ii) ensure that the Bidder's Statement contains appropriate disclosure regarding the remitting of the Bid Consideration to Brockman in respect of any acceptances of the Offer by a borrower under a Shareholder Loan.
- (b) Brockman represents and warrants that it will as soon as reasonably practicable after the Announcement Date and before the Closing Date:
 - (i) use all reasonable endeavours and do everything reasonably practicable to ensure that each borrower under a Shareholder Loan is able to accept the Offer; and
 - (ii) use all reasonable endeavours and do everything reasonably practicable to seek the agreement of all Brockman Option holders (other than the Brockman ITM Option holders) to the cancellation (subject to the Bid becoming unconditional), on arm's length terms, of any outstanding Brockman Options that they hold (**Brockman Option Cancellation Offers**).

4.8 Brockman obligations in relation to satisfaction of Conditions

Brockman must:

- (a) not do (or omit to do) anything which will, or is likely to, result in any of the Conditions being breached;
- (b) if a fact, matter or circumstance occurs or arises of which Brockman is or becomes aware and which would cause any of the Conditions to be breached, immediately notify Wah Nam of the fact, matter or circumstance; and
- (c) provide on a timely basis all reasonable assistance to Wah Nam, and provide all information reasonably requested by Wah Nam, in order to assist Wah Nam to achieve the satisfaction of each of the Conditions.

4.9 Wah Nam obligations in relation to satisfaction of Conditions

Wah Nam must:

- (a) use all reasonable endeavours and do everything reasonably practicable to ensure that each Condition is satisfied as soon as practicable after the date of this agreement, and must not do (or omit to do) anything which will, or is likely to, result in any of the Conditions being breached;
- (b) in relation to the Condition set out in paragraph 3.2 of Schedule 1, use all reasonable endeavours and do everything reasonably practicable to ensure that the meeting of the Wah Nam Shareholders is held and concluded within 30 days after the Announcement Date;
- (c) if a fact, matter or circumstance occurs or arises of which Wah Nam is or becomes aware and which would cause any of the Conditions to be breached, immediately notify Brockman of the fact, matter or circumstance; and

- (d) provide on a timely basis all reasonable assistance to Brockman, and provide all information reasonably requested by Brockman, in order to assist Brockman to achieve the satisfaction of each of the Conditions.

4.10 Declaring free or unconditional

Subject to the Corporations Act and the HKEx Listing Rules, Wah Nam may at any time (but is not obliged to) declare the Bid to be free from any Condition, or declare the Bid unconditional, on such terms (if any) as it may determine.

4.11 Variations to Offer

Wah Nam may vary the terms and conditions of the Offer in any manner which is permitted by the Corporations Act.

5. Exclusivity

5.1 No existing negotiations or discussions

Brockman represents and warrants to Wah Nam that, at the date of this agreement:

- (a) neither it nor any of its Representatives is engaged in any negotiations or discussions with any entity or person in relation to the possible making of a Competing Proposal;
- (b) neither it nor its Representatives has received any communication indicating that Brockman will be approached to commence negotiations or discussions regarding a Competing Proposal; and
- (c) it has, and its Representatives have, ceased any existing discussions or negotiations with any party which may reasonably be expected to lead to a Competing Proposal.

5.2 No shop

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

5.3 No talk and no due diligence

During the Exclusivity Period, Brockman must not, and must ensure that its Representatives do not, except with the prior written consent of Wah Nam:

- (a) participate in any discussions or negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal;
- (b) provide any information to a third party for the purposes of enabling that party to make a Competing Proposal; or
- (c) communicate any intention do to any of the things listed in clauses 5.3(a) or 5.3(b).

5.4 No commitments in respect of competing proposals

During the Exclusivity Period, Brockman must not, and must ensure that its Representatives do not, except with the prior written consent of Wah Nam, enter into any agreement, arrangement

or understanding in relation to a Competing Proposal requiring Brockman to abandon, or otherwise fail to proceed with, the transactions the subject of this agreement.

5.5 Exceptions

The restrictions in clauses 5.3 and 5.4 do not apply to the extent that they restrict Brockman from taking or refusing to take any action with respect to a bona fide Competing Proposal (which was not encouraged, solicited or invited, facilitated or initiated by that party or its Representatives in contravention of clause 5.2) provided that the Independent Brockman Board has determined, in good faith, that:

- (a) such bona fide Competing Proposal could reasonably be expected to lead to a Superior Proposal; and
- (b) after receiving legal advice from its external advisers, failing to respond to such bona fide Competing Proposal would constitute or would be likely to constitute a breach of the Independent Brockman Board's fiduciary or statutory obligations.

5.6 Notice of unsolicited approach

- (a) During the Exclusivity Period, Brockman must promptly notify Wah Nam:
 - (i) of any approach or attempt to initiate, resume or continue discussions or negotiations with Brockman or any of its Representatives which may reasonably be expected to lead to a Competing Proposal; and
 - (ii) of any request for information relating to Brockman or the Brockman Group or any of their businesses or operations or any request for access to the books or records of Brockman or the Brockman Group, other than requests occurring in the ordinary course of business,

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

- (b) A notification given under clause 5.6(a) must be accompanied by all relevant details of the relevant event, including the identity of the relevant person or persons and the key terms and conditions of any Competing Proposal or proposed Competing Proposal (to the extent known) and must be provided no later than 2 Business Days from receipt of the approach, request, Competing Proposal or proposed Competing Proposal.

5.7 Wah Nam's right of last offer

During the Exclusivity Period, if Brockman notifies Wah Nam under clause 5.6 of a Competing Proposal and of its intention to enter into an agreement, commitment, arrangement or understanding in respect of that Competing Proposal:

- (a) Wah Nam will have the right, but not the obligation, at any time during the period of 3 Business Days following receipt of such notice, to make an offer to Brockman that delivers a benefit to Brockman Shareholders that is at least equal to that of the Competing Proposal (**Counterproposal**);
- (b) if Wah Nam makes a Counterproposal, Brockman and the Independent Brockman Board must consider it in good faith; and

- (c) if the Independent Brockman Board, acting reasonably, considers that the Counterproposal would provide a benefit to Brockman Shareholders that is at least equal to that of the Competing Proposal, then Brockman and Wah Nam must use reasonable endeavours to agree to amendments to this agreement that are reasonably necessary to reflect the Counterproposal and to enter into an amended agreement to give effect to those amendments and to implement the Counterproposal as soon as reasonably practicable,

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

For the purposes of this clause 5.7, each successive material modification of a Third Party's Competing Proposal will constitute a new Competing Proposal.

5.8 Legal advice

Brockman acknowledges that it has received external legal advice on this agreement and the operation of this clause 5.

6. Reimbursement of costs

6.1 Wah Nam acknowledgements

Wah Nam acknowledges and agrees that Brockman has incurred, or will incur:

- (a) significant external advisory costs and fees in negotiating and implementing the Offer;
- (b) internal costs of a similar kind (including directors and management time costs, risk management costs and capital costs);
- (c) out of pocket expenses incurred by employees, advisers and agents of Brockman in negotiating and implementing the Offer;
- (d) reasonable opportunity costs in implementing the Offer or in not pursuing alternative acquisitions or strategic initiatives; and
- (e) costs associated with damage to the reputation of Brockman associated with a failed transaction and the implications of that damage if Brockman seeks to execute alternative acquisitions in the future,

in each case, incurred by Brockman directly or indirectly as a result of pursuing the Offer, and will incur further costs if the Offer is not successful.

6.2 Brockman requirement

Having regard to the matters set out in clause 6.1, Brockman required that provision be made for the payment referred to in clause 6.3, without which Brockman would not have entered into this agreement or otherwise agreed to negotiate and implement the Offer.

6.3 Reimbursement of costs

Wah Nam agrees to pay Brockman the Reimbursement Fee within 5 Business Days after receiving a written demand from Brockman stating the circumstances which give rise to the payment and which provides evidence of the reasonable legal costs and costs relating to the

Independent Expert and the technical consultant incurred and paid in relation to the Bid, if any of the following events occur:

- (a) any of the Conditions set out in paragraph 3.1, 3.2, 3.3 or 3.4 of the Schedule ("Foreign investment approval", "Wah Nam Shareholder approval", "Subscription" and "Placement" respectively) have not been satisfied or waived by the end of the Offer Period; or
- (b) Brockman terminates this agreement under clause 8.2.

6.4 Limit on liability

Despite anything else contained in this agreement:

- (a) if Wah Nam becomes liable to pay the Reimbursement Fee under clause 6.3 and pays the Reimbursement Fee to Brockman, Wah Nam will have no further liability or obligations under this agreement whatsoever, and any claims or liabilities which had arisen prior to such payment will immediately lapse; and
- (b) in any other circumstances Wah Nam's maximum liability to Brockman for any claims or liabilities under this agreement is equal to the amount of the Reimbursement Fee.

6.5 Expert advice

Wah Nam represents and warrants to Brockman that:

- (a) prior to entering into this agreement, Wah Nam received external legal advice on the operation of this clause 6; and
- (b) Wah Nam considers this clause 6 to be fair and reasonable; and
- (c) it is appropriate to agree to the terms in this clause 6 in order to protect the interests of Brockman, and Brockman Shareholders, that may be prejudiced due to a failed Bid.

7. Representations, warranties and indemnities

7.1 Brockman representations and warranties

Brockman represents and warrants to Wah Nam as at the date of this agreement and separately on each date up to and including the End Date that:

- (a) Brockman is a validly existing corporation registered under the laws of Australia;
- (b) the execution and delivery of this agreement by Brockman has been properly authorised by all necessary corporate action and Brockman has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) this agreement constitutes legal, valid and binding obligations on Brockman and this agreement does not conflict with or result in a breach of or default under the constitution of Brockman or any Subsidiary of Brockman;
- (d) so far as the Brockman Board is aware, as at the date of this agreement, Brockman is not in breach of its periodic or continuous disclosure obligations under the ASX Listing Rules or the Corporations Act;

- (e) none of the following events has occurred in relation to Brockman:
- (i) a receiver, receiver and manager, liquidator, provisional liquidator, administrator, trustee or similar officer is appointed in respect of Brockman or any of its assets;
 - (ii) an application is made to court or a resolution is passed or an order is made for the winding up or dissolution of Brockman;
 - (iii) Brockman proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them; or
 - (iv) Brockman is declared or taken under any applicable law to be insolvent or Brockman's Board resolves that it is, or is likely to become at some future time, insolvent; and
- (f) as at the date of this agreement there are:
- (i) 144,803,151 Brockman Shares; and
 - (ii) 4,900,000 Brockman options,
- on issue and Brockman has no other Convertible Securities on issue or instruments which are still outstanding and which may convert into Brockman Shares or other securities.

7.2 Brockman indemnity

Without limiting any other remedy available to Wah Nam, Brockman must pay to Wah Nam on demand an amount equal to all Indemnified Losses suffered or incurred by the Wah Nam Group arising out of or in connection with the breach of any warranty in clause 7.1.

7.3 Wah Nam representations and warranties

Wah Nam represents and warrants to Brockman as at the date of this agreement and separately on each date up to and including the End Date that:

- (a) Wah Nam is a validly existing corporation registered under the laws of the country or jurisdiction of its incorporation;
- (b) the execution and delivery of this agreement by Wah Nam have been properly authorised by all necessary corporate action and Wah Nam has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement; and
- (c) this agreement constitutes legal, valid and binding obligations on Wah Nam and this agreement does not conflict with or result in a breach of or default under Wah Nam's Bye-laws.

7.4 Wah Nam indemnity

Without limiting any other remedy available to Brockman, Wah Nam must pay to Brockman on demand an amount equal to all Indemnified Losses suffered or incurred by the Brockman Group arising out of or in connection with the breach of any warranty in clause 7.3.

7.5 Notification of breach

Each party must promptly advise the others in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach by it of this agreement, including in respect any of the representations or warranties given by it under this agreement.

7.6 Status and enforcement of representations, warranties and indemnities

Each representation and warranty in this agreement:

- (a) is given with the intent that liability under them will not be confined to breaches which are discovered prior to the date of termination, completion or expiration of this agreement; and
- (b) is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement.

It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

7.7 No action against officers and employees

Each party waives, and must procure that its Related Bodies Corporate waives, all rights and claims that it may have personally against the officers and employees of the other party in relation to any matter arising directly or indirectly in connection with this agreement or the Bid, except to the extent that such rights or claims arise out of the fraud, wilful misconduct or wilful default of such person.

8. Termination

8.1 Termination by Wah Nam

Wah Nam may terminate this agreement at any time by notice in writing to Brockman:

- (a) if:
 - (i) Brockman is in material breach of any provision of this agreement (including any representation or warranty);
 - (ii) Wah Nam has given notice to Brockman setting out details of the material breach and stating an intention to terminate this agreement; and
 - (iii) the material breach has not been remedied by Brockman within 5 Business Days from the time such notice is given; or
- (b) if an Independent Brockman Director:
 - (i) fails to recommend the Bid as described in clause 3.2;
 - (ii) makes any public statement or takes any action that contradicts his recommendation;
 - (iii) qualifies his support for the Bid, or withdraws his recommendation; or
 - (iv) recommends against the Bid.

8.2 Termination by Brockman

Brockman may terminate this agreement at any time by notice in writing to Wah Nam if:

- (a) in relation to the Condition set out in paragraph 3.2 of Schedule 1, the meeting of the Wah Nam Shareholders is not held and concluded within 60 days after the Announcement Date;
- (b) in relation to the Condition set out in paragraph 3.3 of Schedule 1, the Subscription is not completed in accordance with its terms within 60 days after the Announcement Date;
- (c) in relation to the Condition set out in paragraph 3.4 of Schedule 1, the Placement is not completed in accordance with its terms within 60 days after the Announcement Date; or
- (d) the following occurs:
 - (i) Wah Nam is in material breach of any provision of this agreement (including any representation or warranty);
 - (ii) Brockman has given notice to Wah Nam setting out details of the material breach and stating an intention to terminate this agreement; and
 - (iii) the material breach has not been remedied by Wah Nam within 5 Business Days from the time such notice is given.

8.3 Termination by Brockman or Wah Nam

Either Brockman or Wah Nam may terminate this agreement at any time by notice in writing to the other if:

- (a) the End Date has passed before the Offer has been freed from all Conditions under section 650F of the Corporations Act (other than as a result of a breach by the terminating party of its obligations under this agreement); or
- (b) Wah Nam withdraws the Offer for any reason including due to breach of a Condition; or
- (c) if the Independent Brockman Board reasonably determines that a Competing Proposal is a Superior Proposal and the Independent Brockman Board recommends that Competing Proposal to Brockman Shareholders.

8.4 Automatic termination at Closing Date

This agreement will terminate automatically at 4:00pm on the Closing Date, if not already terminated in accordance with this clause 8.

8.5 Effect of termination

Termination of this agreement will not affect:

- (a) clause 1 and clauses 5 to 13 inclusive (including this clause 8), which will survive termination; and
- (b) any liability of a party arising under or for any breach of this agreement prior to its termination (including liability for payment of the Reimbursement Fee),

but in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including any further obligations in respect of the Bid.

9. Payments

9.1 Direction

Any reference in this agreement to a payment to any party includes payment to another person at the direction of that party.

9.2 Method of payment

Payment of any amount due under this agreement by any party must be made by the paying party to the recipient party by:

- (a) electronic funds transfer to a bank account specified by the recipient party to the paying party at least 3 Business Days before the due date for payment and confirmed by the paying party to the recipient party by notice; or
- (b) otherwise, unendorsed bank cheque drawn on an Australian bank or other immediately available funds.

9.3 No deduction

Any payment to be made under this agreement must be made free and clear of any deduction or withholding, except where that deduction or withholding is required or compelled by law.

9.4 Gross-up for withholdings

Any person who is required or compelled by law to make any deduction or withholding from any amount payable under this agreement must, to the extent permitted by law, pay to the payee an additional amount sufficient to ensure that the amount received by the payee equals the full amount that would have been received by the payee, if that deduction or withholding had not been required or compelled.

9.5 Default interest

If any party (the **Payor**) fails to make a payment to any other party (the **Payee**) under this agreement on or before the due date for payment, then, without limiting any other remedy of the Payee, the Payor must pay to the Payee upon demand interest on the due amount calculated at the rate which is 2% above the Standard Rate, with interest to accrue from the due date to the day immediately before the actual date of payment, calculated daily on the basis of a 365 day year and capitalised monthly.

10. GST

10.1 Interpretation

- (a) Except where the context suggests otherwise, terms used in this clause 10 have the meanings given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time).
- (b) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 10.

- (c) Unless otherwise expressly stated, all consideration to be provided under this agreement are exclusive of GST. Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this clause 10.
- (d) A reference to something done (including a supply made) by a party includes a reference to something done by any entity through which that party acts.

10.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

10.3 GST payable

- (a) If GST is payable in relation to a supply made under or in connection with this agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the amount of that GST at the same time as any other consideration is to be first provided for that supply.
- (b) The Supplier must provide a tax invoice to the Recipient no later than 14 days after the day on which any consideration is to be first provided for that supply.

10.4 Variation of GST

If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 10.3 then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this clause 10.4 is deemed to be a payment, credit or refund of the additional amount payable under clause 10.3. Where there is an adjustment event, the Supplier must issue an adjustment note to the Recipient as soon as the Supplier becomes aware of the adjustment event.

10.5 No merger

This clause will not merge on completion of this agreement.

11. Notices

11.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
 - (i) if to Brockman:

Attention: Company Secretary

Address: Level 1, 117 Stirling Highway, Nedlands WA 6009,
Australia

Fax number: +61 8 9389 3033

(ii) if to Wah Nam:

Attention: Company Secretary

Address: Room 2805, 28/F., Shun Tak West Tower, Shun Tak
Centre, 168-200 Connaught Road Central, Sheung Wan,
Hong Kong

Fax number: +852 3169 3630

- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party; and
- (d) must be delivered by hand or posted by prepaid post to the address, sent by fax to the number, of the addressee, in accordance with clause 11.1(b).

11.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and
- (d) (in the case of delivery by hand) on delivery,

but if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

12. General

12.1 Amendments

This agreement may only be varied by a document signed by or on behalf of each party.

12.2 Assignment

A party cannot assign or otherwise transfer any of its rights under this agreement without the prior consent of each other party.

12.3 Consents

A consent required under this agreement from a party may not be unreasonably withheld, unless this agreement expressly provides otherwise.

12.4 Consideration

This agreement is entered into in consideration of the parties incurring obligations and giving rights under this agreement and for other valuable consideration.

12.5 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing this agreement.

12.6 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

12.7 Entire agreement

This agreement, together with the confidentiality agreement entered into between Brockman and Wah Nam on 2 December 2011, embodies the entire understanding of Brockman and Wah Nam and constitutes the entire terms agreed by Brockman and Wah Nam in relation to the subject matter of this agreement and together supersede any prior written or other agreement between Brockman and Wah Nam in relation to that subject matter.

12.8 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

12.9 No merger

A party's rights and obligations do not merge on completion of any transaction under this agreement.

12.10 Severance

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be deemed to be severed to the extent that it is void or to the extent of violability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

12.11 Stamp duties

Wah Nam and Brockman agree that Brockman:

- (a) must pay, or procure the payment by Brockman of, any stamp duty and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement; and
- (b) indemnifies Wah Nam against any liability arising from failure to comply with clause 12.11(a),

and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause 12.11.

12.12 Waiver

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement.
- (b) A waiver or consent given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

13. Governing law and jurisdiction

13.1 Governing law

This agreement is governed by and must be construed according to the law applying in the state of Western Australia.

13.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 13.2(a).

Schedule 1 - Bid Terms

Capitalised terms used in this Schedule 1, which are not otherwise defined in this Schedule 1, have the same meaning given in the Bidder's Statement to be lodged with ASIC on or about the date of this agreement.

1. Bid consideration

The Offer Consideration will be A\$1.50 cash and 18 Wah Nam International Shares for every Brockman Share held.

2. Offer

2.1 Shares subject to the Offer

The Offer will relate to all Brockman Shares:

- (a) which exist (or will exist) as at the day set by Wah Nam Australia under section 633(2) of the Corporations Act (**Register Date**); and
- (b) that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, Convertible Securities.

2.2 Offer Period

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

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

3. Conditions

3.1 Foreign investment approval

The Treasurer of the Commonwealth of Australia consents, on an unconditional basis, under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) to the proposed acquisition by Wah Nam Australia of all of the Brockman Shares not already held by Wah Nam Australia. The Treasurer is taken to have so consented:

- (a) if Wah Nam Australia and any other relevant foreign person receives written advice from or on behalf of the Treasurer to the effect that the acquisition of the Brockman Shares is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the FATA; or
- (b) if notice of the proposed acquisition of the Brockman Shares is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the FATA in relation to the proposed acquisition because of a lapse of time.

3.2 Wah Nam International Shareholder approval

- (a) The requisite majority of Wah Nam International Independent Shareholders approve the acquisition by Wah Nam Australia of all of the Brockman Shares not already owned by Wah Nam Australia and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares;
- (b) The requisite majority of Wah Nam International Shareholders approve the Subscription Agreement and the transactions contemplated thereunder, including:
 - (i) the allotment and issue of the Subscription Shares;
 - (ii) the issue of the Convertible Bond and the allotment and issue of the Wah Nam International Shares which may be issued upon the exercise of the conversion rights attached to the Convertible Bond; and
- (c) The requisite majority of Wah Nam International Shareholders approve the Underwriting Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placement Shares,

at general meeting by poll.

3.3 Subscription

Completion of the subscription of the Subscription Shares and Convertible Bond to the Subscriber pursuant to the Subscription Agreement.

3.4 Placement

Completion of the placement of the Placement Shares pursuant to the Underwriting Agreement.

3.5 80% minimum acceptance

At the end of the Offer Period, Wah Nam Australia has a Relevant Interest in at least 80% of all Brockman Shares.

3.6 Prescribed Occurrences

Between the Announcement Date and the end of the Offer Period (each inclusive), no Prescribed Occurrence occurs.

3.7 No regulatory actions

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 Wah Nam International or any of its Associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of

section 657A of the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Offer or the acquisition of Brockman Shares under the Offer or the completion of any transaction contemplated by the Bidder's Statement, or seeks to require the divestiture by Wah Nam Australia of any Brockman Shares, or the divestiture of any material assets of Brockman or the Wah Nam International Group.

3.8 Exchange rate variation

The A\$/US\$ exchange rate as quoted on Bloomberg does not exceed US\$1.10 for 50% or more of the time during each of the 5 Trading Days after the last of the Conditions in paragraphs 3.1, 3.2, 3.3, 3.4 and 3.5 is satisfied.

3.9 Statutory condition

The Offer and any contract that results from acceptance of it is subject to a Statutory Condition that:

- (a) an application is made to the HKEx and the ASX for admission to quotation of the Consideration Shares within 7 days after the start of the Bid Period; and
- (b) permission for admission to quotation of the Consideration Shares on the HKEx and the ASX is granted no later than 7 days after the end of the Bid Period.

The Offer will not be freed from this Statutory Condition.

If any part of the Statutory Condition set out above is not fulfilled, any contract that results from an acceptance of the Offer will be automatically void.

Schedule 2 – Brockman ITM Options Offer

Wah Nam must offer to acquire each Brockman ITM Option on the terms set out below:

- (a) For each Brockman ITM Option acquired, Wah Nam must:
 - (i) issue 18 new Wah Nam Shares to the Brockman ITM Option holder; and
 - (ii) pay to the Brockman ITM Option holder, in cash, the difference between A\$1.50 and the exercise price of each Brockman ITM Option acquired.

This offer will be subject to the Offer being declared unconditional and, at the end of the Offer Period, Wah Nam having a Relevant Interest in at least 90% of all Brockman Shares.

- (b) The timing of the allotment of the Wah Nam Shares and the payment of the cash consideration referred to in paragraph (a) above, must be on the same terms as the payment of the 'Offer Consideration' set out in paragraph 13.8 of the Bidder's Statement.

Executed as an agreement.

Executed by **Brockman Resources Limited ACN 009 372 150** in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director



Full name of director



Signature of ~~company secretary~~/director



Full name of ~~company secretary~~/director

The common seal of **Wah Nam International Holdings Limited ARBN 143 211 867** was affixed in accordance with its Bye-laws and in the presence of:

Signature of director

Full name of director

Signature of company secretary/director

Full name of company secretary/director

Executed as an agreement.

**Executed by Brockman Resources
Limited ACN 009 372 150 in accordance with
section 127 of the Corporations Act 2001 (Cth):**

Signature of director

Full name of director

The common seal of **Wah Nam International
Holdings Limited ARBN 143 211 867** was
affixed in accordance with its Bye-laws and in
the presence of:



Signature of director

CHU, HOWARD CHUNG YUE

Full name of director

Signature of company secretary/director

Full name of company secretary/director



Signature of company secretary/director

Chan Kam Kwan Jason

Full name of company secretary/director

