

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 25

14 April 2011

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

LETTER TO CONSOLIDATED MINERALS LIMITED

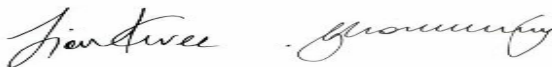
OM Holdings Limited (ASX: OMH – “OMH”) advises that it has recently received correspondence from Consolidated Minerals Limited with respect to OMH’s Notice of Annual General Meeting and Explanatory Statement previously despatched to OMH Shareholders and lodged with the ASX on 28 March 2011 (“AGM Notice”).

OMH considers it has satisfied its legal obligations in relation to the disclosures it has made in the AGM Notice.

However in order to ensure a full, fair and transparent disclosure to all OMH Shareholders the Board has agreed to release a copy of the most recent reply to Consolidated Minerals Limited, so as to allow OMH Shareholders access to the response provided.

Yours faithfully

OM HOLDINGS LIMITED



Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products. The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd, OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110 km north of Tennant Creek in the Northern Territory.

Bootu Creek has the capacity to produce 1,000,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 2,600km².

Bootu Creek’s manganese product is exclusively marketed by the OMH Group’s own trading division with a proportion of the product consumed by the OMH Group’s wholly-owned Qinzhou smelter located in south west China.

Through its Singapore based commodity trading activities, OMH has established itself as a significant manganese supplier to the Chinese market. Product from Bootu Creek has strengthened OMH’s position in this market.

OMH is a constituent of the S&P/ASX 200 a leading securities index.

OMH holds a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which holds a 50.1% interest in the world class Tshipi Borwa manganese project in South Africa.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- 16% shareholding in **Northern Iron Limited** (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway;
- 11% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Western Australia and Ghana; and
- 19% shareholding in **Scandinavian Resources Ltd** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.

OMH has also announced plans for a listing on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEx”) to further broaden the Company’s shareholder base internationally and give the Company access to future capital raising opportunities in the growing Asian market to support its longer term growth strategy.

OM HOLDINGS LIMITED

(ARBN 081 028 337)



14 April 2011

Consolidated Minerals Limited
First Floor Commercial House
St Hellier, Jersey
Channel Islands JE2 3RU

By email: gbaldwin@consmin.com

Attention: Mr Glenn Baldwin, Chief Executive Officer

Dear Mr Baldwin

Proposed Dual Listing and Issue of New Shares

We refer to your letter dated 8 April 2011 ("**Second Consmin Letter**") and to our letter dated 13 April 2011 ("**OMH Initial Response to the Second Consmin Letter**") acknowledging receipt of the Second Consmin Letter. As set out in the OMH Initial Response to the Second Consmin Letter, we did not have sufficient time to provide you with supplementary information to address the points raised in the Second Consmin Letter within your stipulated timeframe of "Tuesday, 13 April 2011" given that we only received the Second Consmin Letter on Wednesday, 13 April 2011. We have now had an opportunity to consider the Second Consmin Letter and respond as follows.

You have raised a number of issues in the Second Consmin Letter, which essentially allege that our notice of annual general meeting and explanatory statement dated 24 March 2011 ("**AGM Notice**") fails to provide shareholders of OM Holdings Limited ("**OMH**" or "**Company**") with key information that would be relevant in their decision-making process at the upcoming Annual General Meeting ("**AGM**"). We are firmly of the view, after careful consideration of the Second Consmin Letter and the First Consmin Correspondence (as defined below), that OMH has satisfied its legal obligations in relation to the disclosures it has made in the AGM Notice.

Importantly, it should be noted that the regulatory authority in Australia, the Australian Securities Exchange ("**ASX**"), has examined the AGM Notice and has confirmed by letter dated 18 March 2011 that they have no objection to the AGM Notice in relation to compliance with the listing rules of the ASX.

However, without detracting from the above position, in an endeavour to provide you with the information that you have requested in the Second Consmin Letter, set out below is our response to each of the issues raised in the bullet points in the Second Consmin Letter.



We confirm that by letter dated 13 April 2011 ("**OMH Response to First Consmin Correspondence**") we have already responded (without further query from you) to the queries raised in your letter dated 5 April 2011 and email dated 7 April 2011 ("**First Consmin Correspondence**") regarding the profile of OMH's share register and free-float post-listing on the Hong Kong Stock Exchange.

- **Resolution 10 – Blanket statements made in relation to proposed amendments to OMH's constitution**

The inclusion of Bye-laws 52AA.1A and 52AAA.32A to the effect that subject to listing of OMH on the Hong Kong Stock Exchange, all takeover bids and proportional takeover bids shall be conditional upon the requirements of The Securities and Futures Commission of Hong Kong ("**SFC**") as required under The Codes of Takeovers and Mergers and Share Repurchases in Hong Kong ("**Hong Kong Takeover Codes**"), reiterates the regulatory position in Hong Kong that will apply irrespective of the inclusion of these Bye-laws. The Hong Kong Listing Rules state that "The issuer shall comply with the Hong Kong Takeovers Code".

In other words, the Hong Kong Takeover Codes will always apply regardless of the inclusion of Bye-laws 52AA.1A and 52AAA.32A in the Company's Bye-laws and the inclusion of references to the relevant Hong Kong Takeover Codes provisions in the Bye-laws is simply to reflect the regulatory requirements.

The primary purpose of the Hong Kong Takeovers Code "is to afford fair treatment for shareholders who are affected by takeovers...seek to achieve fair treatment by requiring equality of treatment of shareholders, mandating disclosure of timely and adequate information to shareholders to make an informed decision as to the merits of an offer..." The Hong Kong Takeover Codes are detailed and extensive. The Company is of the view that shareholders, taking into consideration each of their specific circumstances, may have to seek independent advice if they wish to obtain detailed information with respect of the Hong Kong Takeover Codes and their particular application.

In these circumstances, we do not consider that a summary of the Hong Kong Takeover Codes is required for shareholders to make an informed decision on whether these Bye-law amendments should be approved. The Hong Kong Takeover Codes will provide shareholder protection in the spirit intended by the regulators in Hong Kong. It is not only mandatory in application to the Company upon its listing in Hong Kong but would also put the Company on the same level playing field with all other Hong Kong listed companies in terms of governance requirements. We note that the Australian takeovers laws apply for a takeover to be triggered at the 20% threshold whereas the similar threshold in Hong Kong is 30%. Consequently, in this particular respect, the Australian takeover law provisions are more onerous.

- **Resolution 11 – Approval for renewal of the proportional takeover provisions in Bye-law 52AA**

For the reasons outlined in our response in relation to Resolution 10 above, and the fulsome relevant information given in the AGM Notice on Resolution 11, we are of the view that shareholders may make an informed decision in relation to Resolution 11 which seeks the approval of shareholders to the renewal of the existing proportional takeover bid provisions in Bye-law 52AA of the Company's Bye-laws.



- **Conflicting takeover regimes**

Shareholders of the Company have also agreed as members of the Company to comply with the Company's Bye-laws including the takeover provisions in Bye-laws 52AA and 52AAA ("**Takeover Bye-laws**"). Accordingly, compliance is required with the Takeover Bye-laws including any additional compliance to conform to the Hong Kong Takeover Codes which, as explained above are mandatory in their application upon the Company's listing in Hong Kong.

We do not consider that detailed commentary is required on the interaction between Hong Kong Takeover Codes and the Takeover Bye-laws for shareholders to make an informed decision on whether the particular Resolutions 10 and 11 of the AGM Notice should be approved. As noted above, the Hong Kong Takeover Codes will apply irrespective of these proposed Resolutions. In Hong Kong, any document communicating a takeover to shareholders would also be the subject of vetting by the SFC and the purpose of that document will contain explanations as to the provisions applicable at that time to persons who wish to accept the offer, any recommendations in relation to the offer and such other information as the regulators may require.

- **Change from secondary listing to dual listing**

We confirm that subject to amongst other things, the approval by the Hong Kong Stock Exchange and the registration of the Global Offering prospectus with the Hong Kong regulatory authorities, the Company will be subject to the regulatory requirements of the Hong Kong Stock Exchange, the SFC and the ASX. Clearly, the Company will be subject to more onerous requirements as a result of the dual listing as it will be subject to the additional laws, rules and regulations of Hong Kong post-listing. In our view it would be disproportionately costly and overly burdensome and thus not necessary for the Company to provide shareholders with a commentary of these laws, rules and regulations to make an informed decision solely on whether to approve the Hong Kong listing. Such a summary would be rarely seen in practice and it would only be possible to provide a generic summary of such laws, rules and regulations. Shareholders can expect to receive salient and important guidance on particular matters arising in the future but otherwise should seek their own independent legal advice if they wished to obtain a more detailed understanding of the applicable laws rules and regulations.

The Company's decision to seek a primary listing on the Hong Kong Stock Exchange as opposed to a secondary listing took into account legal advice received from its counsel in Hong Kong to the effect that a primary listing could be progressed more quickly than a secondary listing in view of the time taken for regulatory vetting of a number of additional waivers that would be applicable to a secondary listing. For a secondary listing, an issuer would usually seek to apply for, among other things, a dispensation from shareholder approval requirements for certain transactions, including connected transactions (as defined under the Hong Kong Listing Rules). A primary listing in Hong Kong also means that there will be added requirements for shareholder approvals for certain types of transactions, thereby delivering more corporate governance safeguards to shareholders.



Clearly, the Company will incur additional costs in order to seek and maintain a listing on the Hong Kong Stock Exchange. However, the Company is of the view that such costs will be decisively outweighed by the benefits of the dual listing. Such benefits are disclosed in the AGM Notice as follows:

The key benefits attributable to OMH pursuing such capital raising initiatives with a dual listing on the HKSE include:

- *enhanced access to capital markets which have an understanding of the OMH Group's businesses and growth strategies;*
- *gateway exposure to Mainland China;*
- *ability to leverage on Mainland China's continued growth; and*
- *free flow of capital and information.*

The HKSE is a global exchange and as at February 2011 was the 7th largest exchange in the world by domestic market capitalisation and the 3rd largest exchange in Asia. In 2010 initial public offerings on the HKSE exceeded US\$57 billion.

The Company considers that the dual listing on HKSE will further broaden the Company's Shareholder base internationally and give the Company access to future capital raising opportunities in the growing Asian market to support its longer term growth strategy. In addition, being strategically positioned in this well established and highly liquid market will be of significant benefit to the Company should it contemplate future international acquisitions and/or growth opportunities.

- **Change to shareholding structure**

We have responded to your queries regarding OMH's shareholding structure post-listing on the Hong Kong Stock Exchange to the extent we are able to in the OMH Response to the First Consmin Correspondence and in the AGM Notice.

The results of the book-build process cannot be determined at this point in time, and consequently we are unable to provide you with a response to your queries relating to the profile of the Company's share register or free-float post-listing on the Hong Kong Stock Exchange save that the Company will of course be in compliance with the free float requirements of the Hong Kong Stock Exchange.

For the reasons outlined in the OMH Response to the First Consmin Correspondence, we are unable at this point in time, to provide you with any further information in relation to the issues raised in the First Consmin Correspondence or the Second Consmin Letter.

- **Lack of information on additional obligations that may be imposed on OMH shareholders**

In our view it is not reasonable to require the Company to provide shareholders with a summary of the additional regulatory requirements that may be imposed on OMH or OMH's shareholders as a result of the Hong Kong listing. The Company does not have knowledge of the specific circumstances of each individual shareholder and it would not be possible to provide shareholders with a summary of all laws, rules and regulations that may apply to them given the varying circumstances between



shareholders. Shareholders would have to seek independent legal advice suitable to their particular circumstances if they wished to obtain a detailed understanding of the applicable laws, rules and regulations.

The additional information that you have requested seems to be of specific interest to you and we have not received any request for further information from any other shareholder, including in relation to the specific details of Hong Kong laws, rules and regulations that may apply to them.

However, in order to assist, attached in Annexure A is a summary of the key comparisons between the listing rules of the ASX and the Hong Kong Stock Exchange. This summary was prepared for internal purposes and has been submitted to the Hong Kong Stock Exchange as part of OMH's application for dual listing. It is not a regulatory requirement to provide such information to OMH shareholders and has only been provided with this letter to indicate the comprehensive nature of review OMH has undertaken.

For those investors who wish to trade their shares on the Hong Kong Stock Exchange, the Hong Kong Listing Rules provide that unless the Hong Kong Stock Exchange agrees otherwise, "only securities registered on the Hong Kong register may be traded on the Hong Kong Stock Exchange". Stamp duty is chargeable on the transfers of shares on the Hong Kong register. For investors who do not want to participate in trading their shares on the Hong Kong Stock Exchange, they are at liberty to leave their shares registered on the Australian share register and in a trading environment familiar to them. There is no obligation for shares on the Australian share register to be shunted to the Hong Kong register.

In order to ensure full, fair and transparent treatment of all OMH shareholders with provision of this supplementary information, a copy of this letter will be released on the ASX Company Announcements Platform.

We consider that OMH has provided shareholders with all salient and important relevant information in the AGM Notice to enable them to make an informed decision in relation to the Resolutions set out in the AGM Notice. OMH does not propose in the circumstances to postpone its AGM scheduled for 10.30 am (Singapore time) on Wednesday, 20 April 2011 and incur unnecessary costs to the detriment of shareholders.

We trust the provision of this detailed supplementary information given in good faith and on short notice satisfies your requirements.

Yours faithfully

OM HOLDINGS LIMITED

Low Ngee Tong
Executive Chairman

Enclosure: Annexure A – Comparison of ASX Listing Rules and Hong Kong Listing Rules (18 pages)

COMPARISON OF ASX LISTING RULES AND HONG KONG LISTING RULES

Set out below is a comparison of some of the more salient provisions of the ASX Listing Rules against similar requirements under the Hong Kong Listing Rules

	HKSE	ASX
Continuing Obligations	In addition to the requirements set out in more detail elsewhere in this table, the Hong Kong Listing Rules set out certain continuing obligations which a listed company is required to observe once its securities have been listed on the HKSE. A summary of these Hong Kong Listing Rules is set out below. - General obligations of disclosure including those relating to the immediate release of information which is expected to be price-sensitive (see “Disclosure of Price Sensitive Information” below). - Response to enquiries made of the issuer by the HKSE concerning unusual movements in the price or trading volume of its listed securities or any other matters. - Compliance with the prescribed minimum percentage of listed securities in public hands at all times.	In addition to the requirements set out in more detail elsewhere in this table, the ASX Listing Rules set out certain continuing obligations which a listed entity is required to observe once its securities have been listed on ASX. A summary of these ASX Listing Rules is set out below. - Continuous disclosure and periodic disclosure obligations (see “Disclosure of Price Sensitive Information” and “Financial Disclosure” below). - Obligation to correct or prevent a false market in the entity’s securities (see “Disclosure of Price Sensitive Information” below). - Obligations which require meetings of the entity’s shareholders, certain requirements for proxy forms, rules relating to voting exclusions, and rules relating to the nomination and rotation of directors.

HKSE

4. Pre-emptive rights, being circumstances under which the directors of the listed issuer must obtain the consent of shareholders in general meeting prior to allotting, issuing or granting securities.
5. Arrangements for Annual General Meetings and Board Meetings.
6. Disclosure of financial information (see “Financial Disclosure” below).
7. Notification to the HKSE of changes with regard to a listed issuer’s memorandum or articles of association or equivalent documents, its directorate or supervisory committee, rights attaching to any class of listed securities, auditors or financial year end, its secretary or registered address.

ASX

4. The level of an entity’s operations must, in ASX’s opinion, be sufficient to warrant the continued quotation of the entity’s securities and its continued listing.
5. An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.
6. If half or more of an entity’s total assets is cash or in a form readily convertible to cash, ASX may suspend quotation of a listed entity’s securities until it invests those assets or uses them for a listed entity’s business. An entity must give shareholders in writing details of the investment or use.
7. An entity must maintain a spread of security holdings in its main class which, in ASX’s opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. If ASX requires a listed entity to obtain sufficient spread, an entity must obtain the required spread within three months after the date ASX requires it to do so. ASX’s requirement is not met if the spread is obtained by artificial means.

HKSE

8. Submission to the HKSE of draft circulars and other documents for review, as required under Hong Kong Listing Rules 13.52(1) and (2).
9. Trading and settlement arrangements.
10. Directors' dealings, service contracts, nomination and contact information.

For details, please see Chapter 13 of the Hong Kong Listing Rules on Continuing Obligations

ASX

8. An entity's structure and operations must be appropriate for a listed entity.
9. An entity must give ASX a draft of certain documents for examination, including proposed amendments to its constitution, proposed amended documents setting out the terms of debt securities or convertible securities, documents to be sent to persons entitled to participate in a new issue under an arrangement or reconstruction, a notice of meeting which contains resolutions for the issue of securities, a document to be sent to persons on whose securities a call is to be made or an installment is due, a document to be sent to a person whose quoted options are about to expire, a document to be sent to security holders in connection with an approval under the ASX Listing Rules

For further details please see Chapters 3, 12, 14 and 15 of the ASX Listing Rules.

Corporate Governance

HKSE

The HKSE advocates the adoption of high corporate governance standards and encourages and/or requires listed issuers to ensure they have adequate and effective systems of internal control covering financial and compliance matters.

1. Independent Non-Executive Directors

- a. Issuers are required to appoint at least three independent non-executive directors.
- b. At least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.

ASX

In order to promote investor confidence and to assist companies meet stakeholder expectations, the ASX Corporate Governance Council has developed and released the Corporate Governance Principles and Recommendations (“Principles and Recommendations”) for Australian listed entities.

Set out below are some of the Principles and Recommendations.

1. Structure the board to add value

The Principles and Recommendations recommend that:

- a majority of the board should be independent directors;
- the chair should be an independent director;
- the roles of chair and chief executive officer should not be exercised by the same individual;
- the board should establish a nomination committee; and
- companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

HKSE

2. Audit Committee

- a. Issuers must establish an audit committee comprising non-executive directors only.
- b. The audit committee must have a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.
- c. The majority must be independent non-executive directors and chaired by an independent non-executive director.

For details, please see Chapter 3 of the Hong Kong Listing Rules on Authorised Representative and Directors

ASX

2. Safeguard integrity in financial reporting – Audit Committee

The Principles and Recommendations recommend that:

- the board establish an audit committee;
- the audit committee should be structured so that it consists only of non-executive directors, consists of a majority of independent directors, is chaired by an independent chair (who is not chair of the board) and has at least three members; and
- the audit committee should have a formal charter.

A listed entity which was included in the S&P All Ordinaries Index at the beginning of its financial year must have an audit committee during that year. If the entity was included in the S&P/ASX 300 Index at the beginning of its financial year it must also comply with the Principles and Recommendations in relation to composition, operation and responsibility of the audit committee for the whole of that financial year (ASX Listing Rule 12.7).

HKSE

ASX

There are other Principles and Recommendations that deal with other aspects of corporate governance including laying solid foundations for management and oversight, promoting ethical and responsible decision-making, making timely and balanced disclosure, respecting the rights of shareholders, recognising and managing risk and remunerating fairly and responsibly.

For details please see the ASX Council's Corporate Governance Principles and Recommendations which are available at <http://www.asx.com.au/governance/corporate-governance.htm>

Under both the Hong Kong Listing Rules and the ASX Listing Rules to the extent certain of the corporate governance recommendations are not observed, such deviations from the recommendations are required to be disclosed in the Company's interim or annual reports, as the case may be.

Disclosure of Use of Proceeds

Main Board issuers are required to disclose in their annual report how they have applied the proceeds raised in the share offering and whether this was in accordance with that disclosed in their listing documents.

There is no equivalent requirement under the ASX Listing Rules.

	HKSE	ASX
Disclosure of Price Sensitive Information	Listed issuers are required to keep the HKSE and the investing public informed as soon as reasonably practicable of any information which might be reasonably expected to affect market activity in the price of their securities. For further details, please refer to Rule 13.09 of the Hong Kong Listing Rules.	Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information. For further details, including exceptions to this requirement, please refer to ASX Listing Rules 3.1. 3.1A and 3.1B and ASX Guidance Note 8.

Financial Disclosure

Timing

Half Year Reporting

A listed issuer must publish its preliminary results for first six months of each financial year no later than 2 months after the end of the 6 month period and half-yearly reports not later than 3 months after the end of the 6 month period.	A listed entity must give ASX and release the information set out in Appendix 4D (Half-Year Report), which must comply with relevant accounting standards, within two months after the end of the accounting period.
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Full Year Reporting

A listed issuer must publish its preliminary results for full financial year no later than 3 months after end of financial year and annual reports not later than 4 months after the financial year end.	A listed entity must give ASX and release the information set out in Appendix 4E (Preliminary Final Report) no later than two months after the end of the accounting period.
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HKSE

Content

The Listing Rules set out the minimum financial information that a listed issuer shall include in its preliminary announcement of results, interim reports, annual reports, listing documents and circulars in relation to equity securities.

For further details, please see Chapter 4 and Appendix 16 of the Hong Kong Listing Rules for Main Board companies.

Restrictions on Disposal of Shares

The HKSE imposes certain restrictions on the disposal of shares by controlling shareholders following a company's new listing. Essentially, any person regarded as a controlling shareholder at the time of listing shall not:

- (a) dispose of his shares in the listed issuer in the period commencing on the date by reference to which disclosure of the shareholding of the controlling shareholder is made in the listing document and ending on the date which is six months from the date on which dealings in the securities of a new applicant commence on the HKSE; or

ASX

Content

The relevant ASX Listing Rules set out the minimum financial information that a listed entity shall include in its half year report and its annual reports.

For further details please refer to Chapter 4 of the ASX Listing Rules and ASX Guidance Note 4.

The ASX Listing Rules impose certain restrictions on the disposal of 'restricted securities'. Set out below is a summary of those Listing Rules.

'Restricted securities' are securities which are issued by a listed entity in the circumstances set out in Appendix 9B, including securities issued to seed capitalists, vendors of classified assets, promoters, professionals and consultants and persons under an employee incentive scheme.

Restricted securities are placed in escrow (to prevent the transfer of effective ownership or control) for the time periods prescribed in Appendix 9B.

HKSE

- (b) dispose of his interest in the issuer if such disposal would result in him ceasing to be a controlling shareholder in the period of six months commencing on the date on which the period referred to above expires.

Controlling shareholder(s) of a new applicant must undertake to the issuer and the HKSE to disclose any pledge/charge of any securities beneficially owned by him/them in favour of an authorised institution that was made within the period commencing on the date by reference to which disclosure of the shareholding of the controlling shareholder(s) is made in the listing document and ending on the date which is 12 months from the date on which dealings in the securities of a new applicant commence on the HKSE.

For details, please refer to Hong Kong Listing Rule 10.07

ASX

Unless ASX decides otherwise, the restrictions in clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B do not apply in relation to any of the following entities:

- (a) an entity that is admitted under the profit test in ASX Listing Rule 1.2;
- (b) an entity that has a track record of profitability or revenue acceptable to ASX;
- (c) an entity that, in the opinion of ASX, has a substantial proportion of its assets as tangible assets or assets with a readily ascertainable value.

The entity must also enter into a restriction agreement with the holder and each controller, subject to certain circumstances.

A restriction agreement must be in accordance with Appendix 9A or as ASX requires in a particular case.

For further details please refer to ASX Listing Rules Chapters 9, Appendices 9A and 9B, and ASX Guidance Note 11.

Issue of New Shares**HKSE**

Subject to such waiver as may be granted, the HKSE does not permit further issues of shares or securities convertible into equity securities of a listed issuer within 6 months of listing except for:

- (a) the issue of shares, the listing of which has been approved by the HKSE, pursuant to a share option scheme under Chapter 17 of the Hong Kong Listing Rules;
- (b) the exercise of conversion rights attaching to warrants issued as part of the initial public offering;
- (c) any capitalisation issue, capital reduction or consolidation or sub-division of shares;
- (d) the issue of shares or securities pursuant to an agreement entered into before the commencement of dealing and disclosed in the issuer's listing document; and
- (e) the issue of shares or securities to be traded on the Main Board by a listed issuer that has successfully transferred its listing from the Growth Enterprise Market to the Main Board under Chapter 9A.

Subject to approval by Shareholders in general meeting, the board of directors of a listed issuer may be granted a general mandate to issue up to 20% of its issued share capital during a period which ends on the earlier of the next general meeting of the company or when it is so revoked by Shareholders in general meeting.

For details, please refer to Hong Kong Listing Rules 10.08 and [13.36].

ASX

A listed entity is prohibited from issuing or agreeing to issue more equity securities than 15% of its issued share capital in the 12 month period before the date of the proposed issue without shareholder approval.

There are a number of exceptions to this rule, including the following (subject to the conditions in those rules):

- (a) an issue to holders of ordinary securities made under a pro rata issue;
- (b) an issue under an underwriting agreement to an underwriter of a pro rata issue to holders of ordinary securities;
- (c) an issue on the conversion of convertible securities;
- (d) an issue under an off-market bid that is required to comply with the Australian Corporations Act or under a merger by scheme of arrangement;
- (e) an issue to fund the cash consideration in the case of an off-market bid, a market bid or a merger by scheme of arrangement;
- (f) an issue under a dividend or distribution plan;
- (g) an issue under an employee incentive scheme; and
- (h) an issue under a security purchase plan.

For details, please refer to ASX Listing Rules 7.1 and 7.2.

HKSE

Notifiable Transactions Various categories of notifiable transactions are classified by comparing the size of a transaction with the size of the issuer proposing to enter into the transaction. The thresholds for categorising notifiable transactions under the percentage ratios are summarised as follows:

Transaction Type	Assets ratio	Consideration ratio	Profits ratio	Revenue ratio	Equity capital ratio (Note 1)
Share transaction			Less than 5%		
Discloseable transaction			5% or more but less than 25%		
Major transaction (disposal)		25% or more but less than 75%			N/A
Major transaction (acquisition)		25% or more but less than 100%			
Very substantial disposal		75% or more			N/A
Very substantial acquisition		100% or more			

Note 1: The equity capital ratio relates only to an acquisition (and not a disposal) by a listed issuer issuing new equity capital.

Note 2: In the case of a transaction involving both an acquisition and a disposal, the transaction will be classified by reference to the larger of the acquisition or disposal.

ASX

The ASX Listing Rules provide that a listed entity must notify ASX of significant transactions. Furthermore, certain types of significant transactions are prohibited without shareholder approval.

If a listed entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and in any case before making the change. In these circumstances, the following rules apply:

- (a) a listed entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, a listed entity must get shareholder approval and must comply with any requirements of ASX in relation to the notice of meeting; and

HKSE

The table below summarises the notification, publication and shareholders' approval requirements which will generally apply to each category of notifiable transaction:

	Notific -ation to the HKSE	Announ- cement	Circular to Share -holders	Share- holders' Approval	Accoun -tants' Report
Share transaction	Yes	Yes	No	No (Note 1)	No
Discloseable transaction	Yes	Yes	No	No	No
Major transaction	Yes	Yes	Yes	Yes (Note 2)	Yes (Note 3)
Very substantial disposal	Yes	Yes	Yes	Yes (Note 2)	No (Note 5)
Very substantial acquisition	Yes	Yes	Yes	Yes (Note 2)	Yes (Note 4)
Reverse takeover	Yes	Yes	Yes	Yes (Notes 2&6)	Yes (Note 4)

Note 1: No shareholders' approval is necessary if the consideration shares are issued under a general mandate.

Note 2: Any shareholder and his associates must abstain from voting if such shareholder has a material interest in the transaction.

Note 3: For acquisitions of businesses and/or companies only. The accountants' report is for the 3 preceding financial years on the business, company or companies being acquired.

Note 4: An accountants' report for the 3 preceding financial years on any business, company or companies being acquired is required.

Note 5: A listed issuer may at its option include an accountants' report (see note 1 to Hong Kong Listing Rule 14.68(2)(a)(i)).

Note 6: Approval of the HKSE is necessary.

ASX

- (c) if ASX requires, a listed entity must meet the requirements in Chapters 1 and 2 of the ASX Listing Rules as if a listed entity were applying for admission to the official list.

If the significant change involves a listed entity disposing of its main undertaking, the entity must obtain shareholder approval and must comply with any requirements of ASX in relation to the notice of meeting.

A listed entity must not dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. A listed entity must do each of the following if one of its child entities holds the major asset:

- (a) it must not sell securities in the child entity with a view to the child entity becoming listed; and
- (b) it must make sure that the child entity does not issue securities with a view to becoming listed.

HKSE

For further details, please see Chapter 14 of the Hong Kong Listing Rules on Notifiable Transactions

ASX

This rule does not apply in either of the following cases:

- (a) the securities, except those to be retained by a listed entity or its child entity, are offered pro rata to shareholders or in another way that, in ASX's opinion, is fair in all the circumstances; or
- (b) shareholders approve the disposal without the offer referred to in (a) above being made.

For further details please refer to ASX Listing Rules 11.1, 11.2 and 11.3, and ASX Guidance Notes 12 and 13

Connected Transactions

HKSE

Connected Transactions (as defined in Hong Kong Listing Rule 14A.13) are subject to the same percentage ratios (although the profit ratio does not apply to connected transactions) as those used to classify notifiable transactions. The Hong Kong Listing Rules set out the following de minimis thresholds for connected transactions which are exempt from the requirements of reporting, announcement and/or independent shareholders’ approval:

	Based on the percentage ratios used for classifying notifiable transactions
De minimis threshold for exemption from reporting, announcement and independent shareholders’ approval requirement	A connected transaction on normal commercial terms where each of the percentage ratios (except the profits ratio) is: - less than 0.1%; or - less than 1% for transactions with persons connected only at the subsidiary level; or - less than 5% and the consideration is less than HK\$1 million.
De minimis threshold for exemption from independent shareholders’ approval requirement	A connected transaction on normal commercial terms where each of the percentage ratios (except the profits ratio) is: - less than 5%; or - less than 25% and the consideration is less than HK\$10 million.

ASX

Chapter 10 of the ASX Listing Rules includes rules relating to transactions with persons in a position of influence in relation to the listed entity. Certain transactions between a listed entity and such persons require shareholder approval and an independent expert’s report in certain circumstances.

Acquisitions and disposals of substantial assets

A listed entity must ensure that neither it, nor any of its child entities acquires a ‘substantial asset’ from or disposes of a ‘substantial asset’ to any of the following persons without the approval of holders of the entity’s ordinary securities: (a) a ‘related party’; (b) a subsidiary; (c) a substantial holder of, or someone who has in the past 6 months before the transaction held, at least 10% of the total votes attached to the voting securities; (d) an associate of any of the above persons; or (e) a person whose relationship to a listed entity a listed entity or a person referred to at (a) to (d) above is such that, in ASX’s opinion, the transaction should be approved by shareholders. The entity is required to give shareholders an independent expert’s report which must state whether the transaction is fair and reasonable to shareholders who are not excluded from voting under the ASX Listing Rules in relation to the transaction.

HKSE

For further details, please see Chapter 14A of the Hong Kong Listing Rules on Connected Transactions.

ASX

A ‘substantial asset’ is an asset if its value or the value of the consideration for it is (or in ASX’s opinion is) 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules. For further details please see Chapter 10 of the ASX Listing Rules and ASX Guidance Note 24.

Securities Transactions by Directors

The Hong Kong Listing Rules set a required standard against which directors of listed issuers must measure their conduct regarding securities dealings. Absolute prohibitions include, but are not limited to, the following provisions:

- (a) A director must not deal in any of the securities of the listed issuer at any time when he is in possession of unpublished price-sensitive information in the relation to those securities.
- (b) A director must not deal in the securities of a listed issuer when, by virtue of his position as a director of another listed issuer, he is in possession of unpublished price-sensitive information in the relation to those securities.

A listed entity must have a share trading policy which must include the following information:

- (a) the entity’s closed periods during which the entity’s key management personnel are prohibited from trading in the entity’s securities;
- (b) the restrictions on trading that apply to the entity’s key management personnel (as defined in Accounting Standard AASB 124 Related Party Disclosure, including directors);

HKSE

- (c) A director must not deal in any of the securities of the listed issuer (unless the circumstances are exceptional) on any day on which its financial results are published; and
 - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the financial year up to the publication of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

ASX

- (c) any trading which is not subject to the entity's share trading policy;

HKSE

For further details, please see Appendix 10 of the Hong Kong Listing Rules on Model Code for Securities Transactions by Directors of Listed Issuers

ASX

- (d) any exceptional circumstances in which the entity's key management personnel may be permitted to trade during a prohibited period (being a closed period and any additional periods imposed by the entity when trading is prohibited because the company is considering confidential price sensitive information that is exempt from disclosure) with prior written clearance; and
- (e) the procedures for obtaining prior written clearance for trading.

The ASX Listing Rules do not prescribe the content of an entity's securities trading policy within the above requirements. However, the share trading policy should raise awareness and provide an explanation on insider trading under the Corporations Act; it should explain that trading is prohibited at any time if the person possesses inside information.

For further details, please see ASX Listing Rules 12.9, 12.12, 3.19A and 3.19B, Appendices 3X, 3Y and 3Z, and ASX Guidance Note 27.

	HKSE	ASX
Code of Corporate Governance Practices	The Hong Kong Listing Rules set out the principles of good corporate governance. For further details, please see Appendix 14 of the Hong Kong Listing Rules on Code of Corporate Governance Practices	As set out above at “Corporation Governance”, the ASX Corporate Governance Council has developed and released the Corporate Governance Principles and Recommendations for entities listed on the ASX. For details please see the ASX Council’s Corporate Governance Principles and Recommendations which are available at http://www.asx.com.au/governance/corporate-governance.htm