

*The Shares are currently listed on the ASX and the Company intends to list the Shares on the Stock Exchange. A summary of the major differences between the Listing Rules and the ASX Listing Rules, certain applicable laws and regulations of Australia and Hong Kong and certain relevant legislations concerning companies with listed securities is set out below.*

*This summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Australian and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Australian or Hong Kong laws, rules or regulations or otherwise.*

In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, on the one hand, and the Australia laws, rules and regulations, including but not limited to the ASX Listing Rules and the Australia Corporations Act, on the other hand, the Company will comply with the more restrictive and stringent rule unless an applicable waiver has been obtained.

**Summary of the major differences between the Hong Kong Listing Rules, the ASX Listing Rules and certain applicable Hong Kong and Australian laws**

**Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>**

**ASX Listing Rules and Australian laws<sup>2</sup>**

***Changes in capital and new issues***

**HK LR 13.36 – Pre-emptive rights**

**ASX LR 7.1 – Issues exceeding 15% of capital**

HK LR 13.36(1)

Subject to ASX LR 7.1A and ASX LR 7.1B, without the approval of holders of ordinary securities, an entity must not issue or agree to issue more equity securities than the number calculated according to the following formula.  $(A \times B) - C$

(a) Except in the circumstances mentioned in rule 13.36(2), the directors of the issuer (other than a PRC issuer, to which the provisions of rule 19A.38 apply) shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:

**A** = The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue,

- (i) shares;
- (ii) securities convertible into shares; or
- (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities.

plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX LR 7.2,

plus the number of partly paid ordinary securities that became fully paid in the 12 months,

<sup>1</sup> Terms used in this column have the meanings given to them in the Listing Rules.

<sup>2</sup> Terms used in this column have the meaning given to them in the ASX Listing Rules.

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*Note:* Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them) pro rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rules 13.36(2) and (3).

- (b) Notwithstanding rule 13.36(2)(b), the directors of the issuer (other than a PRC issuer, to which the provisions of rule 19A.38 apply) shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

### HK LR 13.36(5)

In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under rule 13.36 (2)(b) if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and

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plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX LR 7.1 or ASX LR 7.4,

less the number of fully paid ordinary securities cancelled in the 12 months.

**B = 15%**

**C =** The number of equity securities issued or agreed to be issued in the 12 months before the issue date or date of agreement to issue that are not issued:

under an exception in ASX LR 7.2;

under ASX LR 7.1A.2; or

with the approval of the holders of ordinary securities under ASX LR 7.1 or ASX LR 7.4.

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- (b) the average closing price in the 5 trading days immediately prior to the earlier of:
- (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
  - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
  - (iii) the date on which the placing or subscription price is fixed,

unless the issuer can satisfy the Exchange that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Exchange with detailed information on the allottees to be issued with securities under the general mandate.

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#### Exceptions to HK LR 13.36(1)

HK LR 13.36(2)

No such consent as is referred to in rule 13.36(1)(a) shall be required:

- (a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or
- (b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of:
  - (i) 20% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in rule 7.14(3), 20% of the number of issued shares of an overseas issuer following the implementation of such scheme); and

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#### Exceptions to ASX LR 7.1

ASX LR 7.1 does not apply in any of the following cases:

**Exception 1** An issue to holders of ordinary securities made under a pro rata issue and to holders of other equity securities to the extent that the terms of issue of the equity securities permit participation in the pro rata issue.

**Exception 2** An issue under an underwriting agreement to an underwriter of a pro rata issue to holders of ordinary securities if the underwriter receives the securities not later than 15 business days after the close of the offer.

**Exception 3** An issue to make up the shortfall on a pro rata issue to holders of ordinary securities. The entity must make the issue not later than 3 months after the close of the offer, and the directors of the entity (in the case of a trust, the responsible entity) must have stated as part of the offer that they reserve the right to issue the shortfall at their discretion. The issue price must not be less than the price at which the securities were offered under the pro rata issue.

**Exception 4** An issue on the conversion of convertible securities. The entity must have issued the convertible securities before it was listed or complied with the ASX LR when it issued the convertible securities.

**Exception 5** An issue under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act. Exception 5 is not available if the issue is being made under a reverse takeover.

**Exception 6** An issue to fund the cash consideration payable under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act where the terms of the issue are disclosed in the takeover or scheme documents. **Exception 6** is not available if the issue is being made to fund a reverse takeover.

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- (ii) the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares of the issuer as at the date of the resolution granting the repurchase mandate), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.

#### HK LR 13.36(3)

A general mandate given under rule 13.36(2) shall only continue in force until:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (b) revoked or varied by ordinary resolution of the shareholders in general meeting, whichever occurs first.

#### HK LR 13.36(4)

Where the issuer has obtained a general mandate from its shareholders pursuant to rule 13.36(2)(b), any refreshments of the general mandate before the next annual general meeting shall be subject to the following provisions:

- (a) any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;

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**Exception 7** An issue under a dividend or distribution plan excluding an issue to the plan's underwriters. Exception 7 is only available where the dividend or distribution plan does not impose a limit on participation.

[No exception 8]

**Exception 9** An issue under an employee incentive scheme if within 3 years before the issue date one of the following occurred.

- (a) In the case of a scheme established before the entity was listed – a summary of the terms of the scheme were set out in the prospectus, PDS or information memorandum.
- (b) Holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule. The notice of meeting must have included each of the following.
  - (i) A summary of the terms of the scheme.
  - (ii) The number of securities issued under the scheme since the date of the last approval.
  - (iii) A voting exclusion statement.

**Exception 10** An issue of preference shares which do not have any rights of conversion into another class of equity security. The preference shares must comply with chapter 6 of the Australia Corporations Act.

**Exception 11** The reissue or sale of forfeited shares within 6 weeks after the day on which the call was due and payable.

**Exception 12** is only available if each of the following applies:

- (a) The entity complied with the ASX LR when it issued the options.
- (b) The underwriter receives the underlying securities within 10 business days after expiry of the options.

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- (b) the Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:
- (i) any parties who were controlling shareholders of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their associates;
  - (ii) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their respective associates; or
- (c) the issuer must comply with the requirements set out in rules 13.39(6) and (7), 13.40, 13.41 and 13.42;
- (d) the relevant circular to shareholders must contain information relating to the issuer's history of refreshments of mandate since the last annual general meeting, the amount of proceeds raised from the utilisation of such mandate, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount. The circular must also contain information required under rule 2.17; and

where the issuer offers or issues securities to its shareholders pro rata to their existing holdings (including where overseas shareholders are excluded for legal or regulatory reasons), it will not be necessary for the issuer to comply with rules 13.36(4)(a), (b) or (c) in order for it to refresh its general mandate immediately thereafter such that the amount in percentage terms of the unused part of the general mandate upon refreshment is the same as the unused part of the general mandate immediately before the issue of securities. In such cases, it need only obtain approval from its shareholders and comply with rule 13.36(4)(d).

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- (c) The underwriting agreement was disclosed under ASX LR 3.11.3.

**Exception 13** An issue under an agreement to issue securities. The entity must have complied with the ASX LR when it entered into the agreement to issue the securities.

**Exception 14** An issue made with the approval of holders of ordinary securities under ASX LR 10.11 or ASX LR 10.14. The notice of meeting must state that if approval is given under listing ASX LR 10.11 or ASX LR 10.14 (as the case may be), approval is not required under ASX LR 7.1.

**Exception 15** An issue of securities under a security purchase plan, excluding an issue to the plan's underwriters. Exception 15 is only available once in any 12 month period and if both of the following apply:

- The number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities already on issue.
- The issue price of the securities is at least 80% of the volume weighted average market price for securities in that class,

calculated over the last 5 days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made.

**Exception 16** An issue of securities approved for the purposes of Item 7 of section 611 of the Australia Corporations Act.

**ADDITIONAL INFORMATION:** *Item 7 of section 611 of the Australia Corporations Act:*

*"Approval by resolution of target: An acquisition approved previously by a resolution passed at a general meeting of the company in which the acquisition is made, if:*

- (a) *no votes are cast in favour of the resolution by:*
  - (i) *the person proposing to make the acquisition and their associates; or*

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- (ii) *the persons (if any) from whom the acquisition is to be made and their associates; and*
- (b) *the members of the company were given all information known to the person proposing to make the acquisition or their associates, or known to the company, that was material to the decision on how to vote on the resolution, including:*
  - (i) *the identity of the person proposing to make the acquisition and their associates; and*
  - (ii) *the maximum extent of the increase in that person's voting power in the company that would result from the acquisition; and*
  - (iii) *the voting power that person would have as a result of the acquisition; and*
  - (iv) *the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition; and*
  - (v) *the voting power that each of that person's associates would have as a result of the acquisition."*

**Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>****HK LR 14.78 – Takeovers Code**

HK LR 14.78 Listed issuers and their directors must comply with the Takeovers Code. Any breach of the Takeovers Code will be deemed to be a breach of the Exchange Listing Rules. The Exchange may penalise the listed issuer and/or its directors for breaches in accordance with the disciplinary powers contained in Chapter 2A of the Exchange Listing Rules.

**Takeovers Code Rule 4 – No Frustrating Action**

## Takeovers Code Rule 4

Once a bona fide offer has been communicated to the board of an offeree company or the board of an offeree company has reason to believe that a bona fide offer may be imminent, no action which could effectively result in an offer being frustrated, or in the shareholders of the offeree company being denied an opportunity to decide on the merits of an offer, shall be taken by the board of the offeree company in relation to the affairs of the company without the approval of the shareholders of the offeree company in general meeting. In particular the offeree company's board must not, without such approval, do or agree to do the following:

- (a) issue any shares;
- (b) create, issue or grant, or permit the creation, issue or grant of, any convertible securities, options or warrants in respect of shares of the offeree company;
- (c) sell, dispose of or acquire assets of a material amount;
- (d) enter into contracts, including service contracts, otherwise than in the ordinary course of business; or

**ASX Listing Rules and Australian laws<sup>2</sup>****ASX LR 7.9 – Issues during a takeover offer or takeover announcement**

An entity must not issue or agree to issue equity securities, without the approval of holders of ordinary securities, for 3 months after it is told in writing that a person is making, or proposes to make, a takeover for securities in it. This rule does not apply to an issue or agreement to issue in any of the following cases:

**Exception 1** An issue notified to ASX before the entity was told, or made under an agreement to issue notified to ASX before the entity was told.

**Exception 2** A pro rata issue to holders of ordinary securities.

**Exception 3** An issue made on the exercise of rights of conversion.

**Exception 4** An issue made under an off-market bid that is required to comply with the Corporations Act or under a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act.

**Exception 5** An issue made under a dividend or distribution plan that is in operation at the time the notice is received.

**Exception 6** An agreement to issue equity securities that is conditional on holders of ordinary securities approving the issue before the issue is made. If an entity relies on this exception it must not issue the equity securities without approval.

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- (e) cause the offeree company or any subsidiary or associated company to buy back, purchase or redeem any shares in the offeree company or provide financial assistance for any such buy-back, purchase or redemption.

Where the offeree company is under a prior contractual obligation to take any such action, or where there are other special circumstances, the Executive must be consulted at the earliest opportunity. In appropriate circumstances the Executive may grant a waiver from the general requirement to obtain shareholders' approval.

*Notes to Rule 4:**1. Consent by the offeror*

*The requirement of a shareholders' meeting may be waived by the Executive if the offeror (or, in the case of more than one offeror, all offerors) agrees.*

- 2. Service contracts – The Executive will regard amending or entering into a service contract with, or creating or varying the terms of employment of, a director as entering into a contract “otherwise than in the ordinary course of business” for the purpose of this Rule 4 if the new or amended contract or terms constitute an abnormal increase in his emoluments or a significant improvement in his terms of service. This will not prevent any such increase or improvement which results from a genuine promotion or new appointment but the Executive must be consulted in advance in such cases.*

- 3. Votes of controlling shareholders and directors – The Executive should be consulted on whether shareholdings of controlling shareholders, directors and their respective associates should be voted at the shareholders' meeting, where an actual or potential conflict of interest exists.*

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4. *Executive waiver – The Executive, when deciding whether to grant a waiver of the requirement to obtain shareholders’ approval, will take particular account of what details, if any, the offeree company’s board of directors has disclosed to its shareholders of any contractual obligation, duty or right, the fulfilment or enforcement of which may result in the offer being frustrated or the shareholders of the offeree company being denied the opportunity to decide on the merits of the offer.*
5. *Notice of general meeting – The notice convening a meeting of shareholders pursuant to this Rule 4 must include information about the offer or possible offer.*
6. *“Material amount” – For the purpose of determining whether a disposal or acquisition is of a “material amount” the Executive will, in general, apply the same tests as those set out in the Listing Rules to determine whether a transaction is a “disclosable transaction”. If several transactions relevant to this Rule 4, but not individually material, occur or are intended, the Executive will aggregate such transactions to determine whether the requirements of this Rule 4 are applicable to any of them. The Executive should be consulted in advance where there may be any doubt as to the application of the above.*
7. *When there is no need to proceed with an offer – The Executive may allow an offeror not to proceed with its offer if, prior to the posting of the offer document, the offeree company: – (a) passes a resolution in general meeting as envisaged by this Rule 4; or (b) announces a transaction which would require such a resolution but for the fact that it is pursuant to a contract entered into earlier or that the Executive has ruled that an obligation or other special circumstance exists.*

**Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>**

8. *Established share option schemes – Where the offeree company proposes to grant options over shares, the timing and level of which are in accordance with its normal practice under an established share option scheme, the Executive will normally give its consent.*
9. *Interim dividends – The declaration and payment of an interim dividend by the offeree company, outside the normal course, during an offer period may be contrary to General Principle 9 and this Rule 4 in that it could effectively frustrate an offer. The offeree companies and its advisers must, therefore, consult the Executive in advance.*

**HK LR 7.19(6)**

If the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers):

- (a) the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under rule 2.17 in the circular to shareholders;

**ASX Listing Rules and Australian laws<sup>2</sup>****ASX LR 7.11.3 – Rules that apply to all pro rata issues**

The ratio of securities offered must not be greater than one security for each security held. This rule does not apply to a bonus issue. This rule also does not apply if the following conditions are met.

The offer is renounceable.

The issue price is not more than the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was announced.

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- (b) the issuer shall set out in the circular to shareholders the purpose of the proposed rights issue, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately preceding the announcement of the proposed rights issue, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and
- (c) the Exchange reserves the right to require the rights issue to be fully underwritten.

**HK LR 7.19(7)**

Subject to rule 10.08, in the period of 12 months from the date on which dealings in the securities of a new applicant commence on the Exchange, the issuer shall not effect any rights issue, unless it is made conditional on the approval of shareholders in general meeting by a resolution on which any controlling shareholder and its associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under rule 2.17 in the circular to shareholders.

**HK LR 7.19(8)**

Where shareholders' approval is required under rules 7.19(6) or 7.19(7), the Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:

- (a) any parties who were controlling shareholders of the issuer at the time the decision for the transaction or arrangement involving the rights issue was made or approved by the board and their associates; or

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- (b) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision for the transaction or arrangement involving the rights issue was made or approved by the board, and their respective associates.

***No comparable rule in Hong Kong.***

***No comparable rule in Hong Kong.***

### ASX Listing Rules and Australian laws<sup>2</sup>

#### **ASX LR 7.4 – Subsequent approval of an issue of securities**

An issue of securities made without approval under ASX LR 7.1 is treated as having been made with approval for the purpose of ASX LR 7.1 if each of the following apply.

7.4.1 The issue did not breach ASX LR 7.1.

7.4.2 Holders of ordinary securities subsequently approve it.

#### **ASX LR 7.6 – No issue without approval before a meeting to appoint directors**

An entity must not issue or agree to issue any equity securities without the approval of the holders of its ordinary securities to the issue or the agreement to issue if the holder or beneficial owner of more than 50% of the ordinary securities tells the entity in writing that the person intends to call a general meeting to appoint or remove directors. An agreement to issue equity securities that is conditional on holders of ordinary securities approving the issue before the issue is made is not treated as an agreement but the entity must not issue the equity securities without approval.

7.6.1 The restriction applies for 2 months after the date of the advice, but does not prevent an issue under a written contract entered into before the entity received the advice.

7.6.2 If the person giving the advice is not a member, the advice must be accompanied by a statutory declaration verifying the person's beneficial ownership.

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#### HK LR 10.06 – Restrictions and Notification Requirements on Issuers Purchasing their own Shares on a Stock Exchange

##### HK LR 10.06(1)(a)

An issuer whose primary listing is on the Exchange may only purchase shares on the Exchange, either directly or indirectly, if:–

- (a) the shares proposed to be purchased by the issuer are fully-paid up;
- (b) the issuer has previously sent to its shareholders an Explanatory Statement complying with the provisions of rule 10.06(1)(b); and
- (c) its shareholders have given a specific approval or a general mandate to its directors to make the purchase(s), by way of an ordinary resolution which complies with rule 10.06(1)(c) and which has been passed at a General Meeting of the issuer duly convened and held;

##### HK LR 10.06(2)

- (a) An issuer shall not purchase its shares on the Exchange if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the Exchange;
- (b) an issuer shall not purchase its shares on the Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Exchange from time to time;
- (c) an issuer shall not knowingly purchase its shares from a core connected person and a core connected person shall not knowingly sell shares to the issuer, on the Exchange;
- (d) an issuer shall procure that any broker appointed by the issuer to effect the purchase of its shares shall disclose to the Exchange such information with respect to purchases made on behalf of the issuer as the Exchange may request;

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#### ASX LR 7.29 – pre-condition for an on-market buy-back

A company may only buy shares under an on-market buy-back if transactions in the company's shares were recorded on ASX on at least 5 days in the 3 months before it buys back the shares.

#### ASX LR 7.33 – Purchase price under on-market buy-back

A company may only buy back shares at a price which is not more than 5% above the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the shares were recorded before the day on which the purchase under the buy-back was made.

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- (e) an issuer shall not purchase its shares on the Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:
- (i) the date of the board meeting (as such date is first notified to the Exchange in accordance with the Listing Rules) for the approval of the issuer's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the issuer to announce its results for any year or half year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),
- and ending on the date of the results announcement, the issuer may not purchase its shares on the Exchange, unless the circumstances are exceptional;
- (f) an issuer whose primary listing is on the Exchange may not purchase its shares on the Exchange if that purchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage for that issuer (as determined by the Exchange at the time of listing under rule 8.08); and
- (g) the Exchange may waive all or part of the above restrictions if, in the opinion of the Exchange, there are exceptional circumstances (such as, but without limitation, political or economic events having a material adverse effect on the price of shares of the issuer or issuers listed on the Exchange generally) justifying the waiver of such restrictions. A waiver may be granted either with respect to a fixed amount of securities of an issuer or generally or on such conditions as the Exchange shall specify and may be expressed to continue for a stated period of time or until further notice.

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## HK LR 10.06(3) – Subsequent Issues

An issuer whose primary listing is on the Exchange may not make a new issue of shares or announce a proposed new issue of shares for a period of 30 days after any purchase by it of shares, whether on the Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the issuer to issue securities, which were outstanding prior to that purchase of its own securities), without the prior approval of the Exchange.

**HK LR 13.66 – Closure of books and record date**

## HK LR 13.66(1)

- (a) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the Exchange in writing and make a further announcement. If, however, there are exceptional circumstances (e.g. a typhoon) that render the giving of the notification to the Exchange and publication of the announcement impossible, the issuer must comply with the requirements as soon as practicable. Where the issuer decides on a record date without book closure, these requirements apply to the record date.

**ASX LR 7.40 – Compliance with timetables**

An entity must comply with ASX LR Appendix 7A.

**ADDITIONAL INFORMATION:** *Appendix 7A of the ASX LR contains timetables that must be followed for the conduct of share issuances on the ASX. For example, Appendix 7A contains rules around the timing for record dates and for applying for quotation of new shares.*

*Once listed on the Exchange, Yancoal will not be able to conduct an “accelerated” entitlement offer, as permitted by Appendix 7A because the book closure requirements under Rule 13.66 of the Hong Kong Listing Rules must be complied with and no exception for “accelerated” offer to institutional investors exists under the Hong Kong Listing Rules.*

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## APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

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### Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>

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### ASX Listing Rules and Australian laws<sup>2</sup>

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- (b) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting. This rule shall not apply where the issuer announces the timetable of an entitlement on or before 19 June 2011.

*Notes:*

- (a) See Practice Note 8 for emergency share registration arrangements during a typhoon and/or a black rainstorm warning.
- (b) In addition, for a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-date) after publication of the book closure. If trading on the Exchange is interrupted due to a typhoon and/or a black rainstorm warning, the book-close date will be automatically postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.
- (c) For the purposes of rule 13.66(2),
- the record date (when there is no book closure) or the last registration date (when there is a book closure) must be at least three business days after the general meeting; and
  - if the issuer fails to publish the result of the poll conducted in the general meeting in the manner prescribed under rule 13.39(5), it must ensure there is at least one trading day for trading in the securities with entitlements after publication of the results of the poll. The issuer must publish an announcement on any revised timetable.

**Hong Kong Listing Rules and  
Hong Kong laws<sup>1</sup>****ASX Listing Rules and Australian laws<sup>2</sup>**

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***Transactions with persons of influence*****HK LR 14A.32 – Requirements for  
connected transactions**

14A.33 Exemptions or waivers from all or some of the requirements are available for specified categories of connected transactions. See rules 14A.73 to 14A.105 (below).

14A.34 – Written agreement – The listed issuer's group must enter into a written agreement for a connected transaction.

14A.35 – Announcement – The listed issuer must announce the connected transaction as soon as practicable after its terms have been agreed. See rule 14A.68 for the content requirements.

*Note:* If the connected transaction is subsequently terminated or there is any material variation of its terms or material delay in the completion, the listed issuer must announce this fact as soon as practicable. The listed issuer must also comply with all other applicable provisions under the Rules.

14A.36 – Shareholders' approval – The connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution.

14A.37 The Exchange may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions that: (1) no shareholder of the listed issuer is required to abstain from voting if a general meeting is held to approve the transaction; and (2) the approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights in the general meeting.

14A.38 If the listed issuer discloses inside information to any shareholder in confidence to solicit the written approval, it must ensure that the shareholder is aware that he must not deal in the securities before the information has been made available to the public.

**ASX LR 10.1 – Approval required for  
certain acquisitions or disposals**

An entity (in the case of a trust, the responsible 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.

10.1.1 A related party of the entity.

10.1.2 A child entity of the entity.

10.1.3 A substantial holder in the entity, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities in the entity.

10.1.4 An associate of a person referred to in ASX LR 10.1.1 to ASX LR 10.1.3.

10.1.5 A person whose relationship to the entity or a person referred to in ASX LR 10.1.1 to ASX LR 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders. If an entity breaks this rule, ASX may require it to take the corrective action set out in ASX LR 10.9.

**ADDITIONAL INFORMATION:**

A '**related party**' means:

- (a) *in relation to a body corporate, the meaning in section 228 of the Australia Corporations Act.*
- (b) *in relation to a person: his or her spouse, de facto spouse, parent, child, or a spouse or de facto spouse of that person; an entity controlled by one or more of those persons; an entity that he or she controls; a person who acts in concert with anyone referred to above; a person who was a related party in the previous 6 months, or would be a related party in the future.*

**Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>**

14A.39 If the connected transaction requires shareholders' approval, the listed issuer must (1) set up an independent board committee; and (2) appoint an independent financial adviser.

14A.40 – Independent board committee – The independent board committee must, taking into account the recommendation of an independent financial adviser, advise the listed issuer's shareholders: (1) whether the terms of the connected transaction are fair and reasonable; (2) whether the connected transaction is on normal commercial terms or better and in the ordinary and usual course of business of the listed issuer's group; (3) whether the connected transaction is in the interests of the listed issuer and its shareholders as a whole; and (4) how to vote on the connected transaction.

14A.41 The independent board committee must consist only of independent non-executive directors who do not have a material interest in the transaction.

14A.42 If all the independent non-executive directors have a material interest in the transaction, an independent board committee will not be formed.

14A.43 If an independent board committee is formed, the circular must include a letter from the independent board committee containing its opinion on the matters in rule 14A.40 and its recommendation.

**HK LR 14A.07 – Definition of a connected person**

A 'connected person' is:

a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries;

a person who was a director of the listed issuer or any of its subsidiaries in the last 12 months;

a supervisor of a PRC issuer or any of its subsidiaries;

**ASX Listing Rules and Australian laws<sup>2</sup>**

**Section 228 Australia Corporations Act**

"Controlling entities"

(1) *An entity that controls a public company is a related party of the public company.*

Directors and their spouses

(2) *The following persons are related parties of a public company:*

(a) *directors of the public company;*

(b) *directors (if any) of an entity that controls the public company;*

(c) *if the public company is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity;*

(d) *spouses of the persons referred to in paragraphs (a), (b) and (c).*

Relatives of directors and spouses

(3) *The following relatives of persons referred to in subsection (2) are related parties of the public company:*

(a) *parents;*

(b) *children.*

Entities controlled by other related parties

(4) *An entity controlled by a related party referred to in subsection (1), (2) or (3) is a related party of the public company unless the entity is also controlled by the public company.*

Related party in previous 6 months

(5) *An entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.*

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an associate of any of the above persons;  
a connected subsidiary;  
or a person deemed to be connected by the Exchange.

#### **ADDITIONAL INFORMATION:**

A '**substantial shareholder**' is a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting.

A '**connected subsidiary**' is:

- (a) a non-wholly-owned subsidiary of the listed issuer where any connected person(s) at the issuer level, individually or together, can exercise or control the exercise of 10% or more of the voting power at the subsidiary's general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the connected person(s) through the listed issuer; or
- (b) any subsidiary of a non-wholly-owned subsidiary referred to in (a) above

An '**associate**' of a connected person described in rule 14A.07(1), (2) or (3) who is an individual includes:

- (1) (a) his spouse; his (or his spouse's) child or step-child, natural or adopted, under the age of 18 years (each an "immediate family member");
- (b) the trustees, acting in their capacity as trustees of any trust of which the individual or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object (other than a trust which is an employees' share scheme or occupational pension scheme established for a wide scope of participants and the connected persons' aggregate interests in the scheme are less than 30%) (the "trustees"); or

### ASX Listing Rules and Australian laws<sup>2</sup>

Entity has reasonable grounds to believe it will become related party in future

- (6) An entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future.

Acting in concert with related party

- (7) An entity is a related party of a public company if the entity acts in concert with a related party of the public company on the understanding that the related party will receive a financial benefit if the public company gives the entity a financial benefit."

A '**child entity**' means in relation to a body corporate, each of the following:

- (a) an entity which is controlled by the body corporate within the meaning of section 50AA of the Australia Corporations Act; or
- (b) an entity which is a subsidiary of the body corporate.

#### **Section 50AA Australia Corporations Act**

"(1) For the purposes of this Act, an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity's financial and operating policies.

(2) In determining whether the first entity has this capacity:

- (a) the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and
- (b) any practice or pattern of behaviour affecting the second entity's financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).

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- (c) a 30%-controlled company held, directly or indirectly, by the individual, his immediate family members and/or the trustees (individually or together), or any of its subsidiaries; or
- (2) (a) a person cohabiting with him as a spouse, or his child, step-child, parent, stepparent, brother, step-brother, sister or step-sister (each a “family member”); or
- (b) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his immediate family members and/or the trustees, or any of its subsidiaries.

14A.13 An “**associate**” of a connected person described in rule 14A.07(1), (2) or (3) which is a company includes:

- (1) its subsidiary or holding company, or a fellow subsidiary of the holding company;
- (2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “trustees”); or
- (3) a 30%-controlled company held, directly or indirectly, by the company, the companies referred to in (1) above, and/or the trustees (individually or together), or any of its subsidiaries

14A.08 Where a listed issuer is an investment company listed under Chapter 21, its connected persons also include an investment manager, investment adviser or custodian (or any connected person of any of them).

[Note: Other important definition include “Deemed connected person” (HKEX 14A.19-19-22)]

### ASX Listing Rules and Australian laws<sup>2</sup>

(3) The first entity does not control the second entity merely because the first entity and a third entity jointly have the capacity to determine the outcome of decisions about the second entity’s financial and operating policies.

(4) If the first entity:

- (a) has the capacity to influence decisions about the second entity’s financial and operating policies; and
- (b) is under a legal obligation to exercise that capacity for the benefit of someone other than the first entity’s members;

the first entity is taken not to control the second entity.”

**Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>****HK LR Chapter 14 and Chapter 14A**

The Exchange looks at various thresholds to determine when a transaction is required to be announced and is subject to shareholders' approval. For transactions which are not with a connected person, the Exchange looks at the size of the assets, revenue, profits and consideration of the subject asset relative to the assets, revenue, profits and market capitalisation of the listed company. Equity capital ratio will also be applicable if an acquisition of assets is to be conducted by the listed issuer and the consideration to be paid by the listed issuer includes securities for which listing will be sought. If any of the applicable ratios are 5% or more and less than 25%, only an announcement is required and if any of the applicable ratios are 25% or more, shareholders' approval will also be required. For transactions with connected persons, the Exchange looks at the size of the assets, revenue and consideration of the subject asset relative to the assets, revenue and market capitalisation of the listed company (note that the profits is not relevant for this analysis). Subject to an exemption rule that may apply, if any of the ratios exceed 0.1% and are less than 5%, only an announcement is required and if any of the ratios are 5% or more, independent shareholders' approval will also be required. However, if the connected transaction only involves connected person(s) at the subsidiary level, no announcement is required to be made if any of the ratios is less than 1% and only an announcement is required if any of the ratios exceeds 1%.

**ASX Listing Rules and Australian laws<sup>2</sup>****ASX LR 10.2 – What is a substantial asset?**

An asset is substantial 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 LR.

10.2.1 In calculating the value, each of the following rules applies.

Intangibles will be included.

Provisions for depreciation and amortisation will be deducted.

Liabilities acquired as part of an acquisition will not be deducted. Separate transactions will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.

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#### HK LR 14A.73 – Exemptions

Exemptions from the connected transaction requirements are available for the following types of transactions:

- *de minimis* transactions (rule 14A.76);
- financial assistance (rules 14A.87 to 14A.91);
- issues of new securities by the listed issuer or its subsidiary (rule 14A.92);
- dealings in securities on stock exchanges (rule 14A.93);
- repurchases of securities by the listed issuer or its subsidiary (rule 14A.94);
- directors' service contracts and insurance (rules 14A.95 and 14A.96);
- buying or selling of consumer goods or services (rule 14A.97);
- sharing of administrative services (rule 14A.98);
- transactions with associates of passive investors (rules 14A.99 and 14A.100); and
- transactions with connected persons at the subsidiary level (rule 14A.101).

#### HK LR 14A.17

If a listed issuer's subsidiaries are connected persons only because they are the subsidiaries of a connected subsidiary, transactions between these subsidiaries will not be treated as connected transactions.

#### HK LR 14A.18

A subsidiary of the listed issuer is not a connected person if:

it is directly or indirectly wholly-owned by the listed issuer; or

it falls under the definition of a connected person because it is:

- a substantial shareholder of another subsidiary of the listed issuer; or
- an associate of a director (or a person who was in the past 12 months a director), a chief executive, a substantial shareholder or a supervisor of any subsidiary of the listed issuer.

### ASX Listing Rules and Australian laws<sup>2</sup>

#### ASX LR 10.3 – Exceptions to ASX LR 10.1

ASX LR 10.1 does not apply to any of the following:

A transaction between the entity and a wholly owned subsidiary.

A transaction between wholly owned subsidiaries of the entity.

An issue of securities by the entity for cash.

In the case of a trust, a transaction involving a substantial asset that was not beneficially held for the trust before the transaction and is not beneficially held for the trust after the transaction.

A transaction between the entity and a person who is a related party by reason only of the transaction and the application to it of section 228(6) of the Australia Corporations Act.

#### **ADDITIONAL INFORMATION:**

*Section 228(6) of the Australia Corporations Act:*

*“An entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future.”*

*Section 208 of the Australia Corporations Act:*

*“(1) For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company:*

*(a) the public company or entity must:*

*(i) obtain the approval of the public company's members in the way set out in sections 217 to 227; and*

*(ii) give the benefit within 15 months after the approval; or*

*(b) the giving of the benefit must fall within an exception set out in sections 210 to 216.”*

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### Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>

#### HK LR 14A.74

The exemptions are broadly divided into two categories:

- (1) fully exempt from shareholders' approval, annual review and all disclosure requirements; and
- (2) exempt from shareholders' approval requirement.

#### HK LR 14A.75

The Exchange has the power to specify that an exemption will not apply to a particular transaction.

#### HK LR 14A.102 – Waivers

The Exchange may waive any requirements under this Chapter in individual cases, subject to any conditions that it may impose.

#### HK LR 14A.36 – Shareholder approval

The connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution.

### ASX Listing Rules and Australian laws<sup>2</sup>

*Section 210 of the Australia Corporations Act:*

*“Member approval is not needed to give a financial benefit on terms that:*

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) are less favourable to the related party than the terms referred to in paragraph (a).”*

*Other exemptions are potentially applicable.*

#### ASX LR 10.11 – Approval required for an issue of securities

Unless one of the exceptions in ASX LR 10.12 applies, an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities.

10.11.1 A related party.

10.11.2 A person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained.

## APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

### Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>

#### HK LR 14A.92 – Issue of new securities by the listed issuer or its subsidiary

An issue of new securities by a listed issuer or its subsidiary to a connected person is fully exempt if:

1. the connected person receives a pro rata entitlement to the issue as a shareholder;
2. the connected person subscribes for the securities in a rights issue or open offer through excess application or in his or its capacity as an underwriter or sub-underwriter of the rights issue or open offer;
3. the securities are issued to the connected person under a share option scheme that complies with Chapter 17 or a share option scheme adopted by the listed issuer before its securities first start dealing on the Exchange, and where the Exchange has approved the listing of the securities to be issued under the scheme;
4. the securities are issued to the connected person under a “top up placing and subscription” that meets the following conditions:
  - (a) the new securities are issued to the connected person:
    - (i) after it has reduced its holding in the same class of securities by placing them to third parties who are not its associates under a placing agreement; and
    - (ii) within 14 days from the date of the placing agreement;
  - (b) the number of new securities issued to the connected person does not exceed the number of securities placed by it; and
  - (c) the new securities are issued at a price not less than the placing price. The placing price may be adjusted for the expenses of the placing.

*Note:* an issue of new securities by a subsidiary of the listed issuer may be exempt as a de minimis transaction.

### ASX Listing Rules and Australian laws<sup>2</sup>

#### ASX LR 10.12 – Exceptions to ASX LR 10.11

**Exception 1** the person receives the securities under a pro rata issue.

**Exception 2** the person receives the securities under an underwriting agreement in relation to a pro rata issue, provided the person receives the securities not later than 15 business days after close of the offer and the terms of the underwriting were included in offer documents sent to holders of ordinary securities.

**Exception 3** the person receives the securities under a dividend or distribution plan (only where the plan does not impose a limit on participation).

**Exception 4** an issue of securities under the employee incentive scheme made with the approval of holders of ordinary securities under ASX LR 10.14.

**Exception 4A** a grant of options or other rights to acquire securities under an employee incentive scheme, where the securities to be acquired on the exercise of the options or in satisfaction of the rights are required by the terms of the scheme to be purchased on-market.

**Exception 5** the person receives the securities under an off-market bid that was required to comply with the Australia Corporations Act, or as part of a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act.

**Exception 6** the person is a related party by reason only of the transaction which is the reason for the issue of the securities and the application to it of section 228(6) of the Australia Corporations Act.

**Exception 7** the person receives the securities on the conversion of convertible securities. The entity must have issued the convertible securities before it was listed or complied with the ASX LR when it issued the convertible securities.

**Exception 8** an issue of securities under a share purchase plan, excluding an issue the plan's underwriters. Exception (8) is only available once in any 12 month period and both of the following must apply:

## APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

### Hong Kong Listing Rules and Hong Kong laws<sup>1</sup>

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the number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities already on issue; and

the issue price of the securities is at least 80% of the 5 day volume weighted average price for securities in that class.

**Exception 9** an issue under an agreement to issue securities. The entity must have complied with the ASX LR when it entered into the agreement to issue the securities.

**Exception 10** an agreement to issue equity securities that is conditional on holders of ordinary securities approving the issue before the issue is made. If an entity relies on this exception it must not issue the equity securities without approval.

### Significant transactions

#### HK LR 14.08 – Classification and explanation of terms

The table below summarises the classification and percentage ratios resulting from the calculations set out in rule 14.07. However, listed issuers should refer to the relevant rules or the specific requirements.

Type	Assets ratio	Consideration ratio	Profits ratio	Revenue ratio	Equity capital ratio
Share transaction	<5%	<5%	<5%	<5%	<5%
Disclosable transaction	≥5% but <25%	≥5% but <25%	≥5% but <25%	≥5% but <25%	≥5% but <25%
Major transaction – disposal	≥25% but <75%	≥25% but <75%	≥25% but <75%	≥25% but <75%	N/A
Major transaction-acquisition	≥25% but <100%	≥25% but <100%	≥25% but <100%	≥25% but <100%	≥25% but <100%
Very substantial disposal	≥75%	≥75%	≥75%	≥75%	≥75%
Very substantial acquisition	≥100%	≥100%	≥100%	≥100%	≥100%

#### HK LR 14.33 – Notification publication and shareholders’ approval requirements

The table below summarises the notification, publication and shareholders’ approval requirements which will generally apply to each category of notifiable transaction. However, listed issuers should refer to the relevant rules for the specific requirements.

#### ASX LR 11.1 – Proposed change to nature or scale of activities

If an 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. It must do so in any event before making the change. The following rules apply in relation to the proposed change.

11.1.1 The entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for.

11.1.2 If ASX requires, the entity must get the approval of holders of its ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting. The notice of meeting must include a voting exclusion statement.

11.1.3 If ASX requires, the entity must meet the requirements in chapters 1 and 2 of the ASX LR as if the entity were applying for admission to the ASX official list.

## APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

	Notification to Exchange	Publicly announce	Circular	Shareholder approval	Accountant Report
Share transaction	Yes	Yes	No	No <sup>3</sup>	No
Disclosable transaction	Yes	Yes	No	No	No
Major transaction	Yes	Yes	Yes	Yes	Yes
Very substantial disposal	Yes	Yes	Yes	Yes	No
Very substantial acquisition	Yes	Yes	Yes	Yes	Yes
Reverse takeover	Yes	Yes	Yes	Yes	Yes

For explanations of the different types of transactions and ratios, see 14.06 and 14.07.

**ADDITIONAL INFORMATION:** *The ASX has provided guidance on ASX LR 11 in Guidance Note 12 “Significant Changes to Activities”. For clarity and ease of application, ASX has adopted 25% as an appropriate benchmark for determining whether or not a transaction involves a significant change to the scale of an entity’s activities that requires notification to ASX under LR 11.1. ASX considers that the following transactions involve a significant change to the nature or scale of an entity’s activities and therefore ought to be notified to ASX under LR 11.1:*

*an entity is proposing to embark on a transaction or a series of transactions, that will result in a change to the nature of its main undertaking;*

*an entity is proposing to dispose of, or to embark on a series of disposals that together will result in a disposal of, its main undertaking;*

*an entity is proposing:*

*to acquire a business and the acquisition is likely to result in an increase of 25% or more in; or*

*to dispose of or abandon an existing business, if the business in question accounts for 25% or more of,*

*any of the following measures:*

*consolidated total assets;*

*consolidated total equity interests;*

*consolidated annual revenue, or in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning – material revenue from operations, consolidated annual expenditure;*

*consolidated EBITDA; or*

*consolidated annual profits before tax.*

<sup>3</sup> No shareholder approval is necessary if the consideration shares are issued under a general mandate. However, if the shares are not issued under a general mandate, the listed issuer is required, pursuant to Rule 13.36(2) or Rule 19A.38, to obtain shareholders’ approval in general meeting prior to the issue of the consideration shares.

**Hong Kong Listing Rules and Hong Kong laws**

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**HK LR 14.08**

Major acquisitions or disposals (relating to 25% or more but less than 75% of an entity's assets) require shareholder approval.

**HK LR 14.89**

Material changes With the exception of a listed issuer that has successfully transferred its listing from GEM to the Main Board pursuant to Chapter 9A, in the period of 12 months from the date on which dealings in the securities of a listed issuer commence on the Exchange, the listed issuer shall not effect any acquisition, disposal or other transaction or arrangement, or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in the principal business activities of the listed issuer as described in the listing document issued at the time of its application for listing.

**HK LR 14.90**

The Exchange may grant a listed issuer a waiver of the requirements of rule 14.89:

- (1) if it is satisfied that the circumstances surrounding the proposed fundamental change are exceptional; and
- (2) subject to the acquisition, disposal or other transaction or arrangement, or series of acquisitions, disposals or other transactions or arrangements, being approved by shareholders in general meeting by a resolution on which any controlling shareholder (or, where there are no controlling shareholders, any chief executive or directors (excluding independent non-executive directors) of the listed issuer) and their respective associates shall abstain from voting in favour. Any shareholders with a material interest in the transaction and their associates shall abstain from voting on resolution(s) approving such transaction at a general meeting called for the purpose of this rule.

**ASX Listing Rules and Australian laws<sup>1</sup>**

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**ASX LR 11.2 – Change involving main undertaking**

If the significant change involves the entity disposing of its main undertaking, the entity must get the approval of holders of its ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting. The notice of meeting must include a voting exclusion statement. The entity must not enter into an agreement to dispose of its main undertaking unless the agreement is conditional on the entity getting that approval. Rules 11.1.1 and 11.1.3 apply.

**ADDITIONAL INFORMATION:** *If an entity is proposing to dispose of all, or substantially all, of its assets and businesses, ASX will regard that as a disposal of its main undertaking, regardless of the make-up of those assets and businesses. If an entity is proposing to dispose of something less than all, or substantially all, of its assets and businesses, Listing Rule 11.2 will only apply if what is being disposed of constitutes its main undertaking. The term 'dispose' is defined expansively to include not only direct disposals but also indirect disposals through another person. It also captures disposals effected by any means, include granting or exercising an option, using an asset, decreasing an economic interests and disposing of part of an asset. It is not necessary to dispose of all of the assets used in its main undertaking for it to dispose of its main undertaking. If it disposes of the key assets needed to conduct its main undertaking and the commercial outcome is that it will no longer continue to conduct its main undertaking, ASX will regard that as a disposal of its main undertaking. For example, a mining exploration entity that disposes of all of its mining tenements will be regarded as having disposed of its main undertaking, even though it may retain some or all of its mining equipment (ASX Guidance Note 12).*

**Hong Kong Listing Rules and Hong Kong laws**

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**ASX Listing Rules and Australian laws<sup>1</sup>**

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**HK LR 14.92 – Restriction on Disposal**

A listed issuer may not dispose of its existing business for a period of 24 months after a change in control (as defined in the Takeovers Code) unless the assets acquired from the person or group of persons gaining such control or his/their associates and any other assets acquired by the listed issuer after such change in control can meet the trading record requirement of HK LR 8.05.

**ADDITIONAL INFORMATION:** *LR 8.05 relates to the profit test or target capitalisation/revenue/cash flow test.*

**HK LR 14.93**

A disposal by a listed issuer which does not meet the requirement under rule 14.92 will result in the listed issuer being treated as a new listing applicant.

***No comparable rule in Hong Kong.***

**ASX LR 11.4 – No disposal of major asset without offer, or approval for no offer**

An 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. The entity must do each of the following if one of its child entities holds the major asset.

It must not sell securities in the child entity with a view to the child entity becoming listed.

It must make sure that the child entity does not issue securities with a view to becoming listed.

11.4.1 This rule does not apply in either of the following cases.

- (a) The securities, except those to be retained by the entity or child entity, are offered pro rata to holders of ordinary securities in the listed entity, or in another way that, in ASX's opinion, is fair in all the circumstances.
- (b) Holders of ordinary securities in the listed entity approve of the disposal without the offer referred to in ASX LR 11.4.1(a) being made. The notice of meeting must include a voting exclusion statement.

## APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

### Hong Kong Listing Rules and Hong Kong laws

### ASX Listing Rules and Australian laws<sup>1</sup>

#### *Applying for quotation*

#### **HK LR 13.25A(1) – Changes in issued shares**

In addition and without prejudice to specific requirements contained elsewhere in the Exchange Listing Rules, an issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in rule 13.25A(2), submit through HKEx-EPS, or such other means as the Exchange may from time to time prescribe, for publication on the Exchange's website a return in such form and containing such information as the Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day next following the relevant event.

HK LR 13.25A(2) – The events referred to in rule 13.25A(1) are as follows:

- (a) any of the following: (i) placing; (ii) consideration issue; (iii) open offer; (iv) rights issue; (v) bonus issue; (vi) scrip dividend; (vii) repurchase of shares or other securities; (viii) exercise of an option under the issuer's share option scheme by any of its directors; (ix) exercise of an option other than under the issuer's share option scheme by any of its directors; (x) capital reorganisation; or (xi) change in issued shares not falling within any of the categories referred to in rule 13.25A(2)(a)(i) to (x) or rule 13.25A(2)(b); and
- (b) subject to rule 13.25A(3), any of the following: (i) exercise of an option under a share option scheme other than by a director of the issuer; (ii) exercise of an option other than under a share option scheme not by a director of the issuer; (iii) exercise of a warrant; (iv) conversion of convertible securities; or (v) redemption of shares or other securities.

#### **ASX LR 2.8 – Time limits for applying for quotation**

*An entity must apply for quotation of securities on the ASX as follows:*

*2.8.1. In accordance with Appendix 6A or Appendix 7A (see below).*

*2.8.2. If the securities are restricted securities – within 10 business days after the end of the escrow period.*

*2.8.2A. If unquoted partly paid securities become fully paid securities in the same class as quoted fully paid securities – within 10 business days after the date of final payment.*

*2.8.2B. If the securities are subject to restrictions on transfer under an employee incentive scheme – within 10 business days after the end of the restrictions.*

*2.8.3. In other cases – on or before the issue date.*

#### **ADDITIONAL INFORMATION:**

*Appendix 7A of the ASX LR contains timetables that must be followed for the conduct of share issuances on the ASX. Appendix 7A contains rules around the timing for applying for quotation of new shares.*

*Importantly, for entitlement offers conducted in Australia, an application for quotation of the shares to be issued is made to the ASX on the day the offer is announced.*

*Once an application for quotation is received from the ASX, the relevant shares can be quoted on the ASX the next day.*

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## APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

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### **Hong Kong Listing Rules and Hong Kong laws**

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### **ASX Listing Rules and Australian laws<sup>1</sup>**

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13.25A (3) – The disclosure obligation for an event in rule 13.25A(2)(b) only arises where:

- (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under rule 13.25B or last return under this rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares; or
- (b) an event in rule 13.25A(2)(a) has occurred and the event in rule 13.25A(2)(b) has not yet been disclosed in either a monthly return published under rule 13.25B or a return published under this rule 13.25A.

Appendix 5, Form C1 – Must be lodged 4 clear Business Days before the issue date (or 10 Business Days before the issuer proposes to bulk print the listing document (if there is a listing document)).