

# OM HOLDINGS LIMITED

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7 January 2009

Company Announcements Office  
ASX Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**LETTER TO SHAREHOLDERS -  
ADOPTION OF TAKEOVER PROTECTION PROVISIONS**

OM Holdings Limited (ASX: OMH – “OMH”) advises that it has today dispatched the attached Shareholder letter to all its Shareholders with respect to the Special General Meeting which will be held at the Company’s Singapore Head Office at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore on Thursday 15 January 2009 commencing at 11am Singapore time.

Yours faithfully

**OM HOLDINGS LIMITED**

Heng Siow Kwee/Julie Wolseley  
**Company Secretary**

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ASX Code: OMH



## **BACKGROUND PROFILE OF OM HOLDINGS LIMITED**

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*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 up to 700,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,364 km<sup>2</sup>.*

*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.*

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7 January 2009

Dear Fellow Shareholder,

### **TAKEOVER PROTECTION PROVISIONS**

Further to our recent correspondence, I would like to take this opportunity to urge your participation in a matter that your Board believes is of vital significance to **all** Shareholders in OM Holdings Limited ("OMH" or "the Company").

As you would be aware, the Board has convened a Special General Meeting of Shareholders on 15 January 2009 at the Company's Singapore Head Office (commencing at 11am Singapore time) to amend the Company's Bye-laws to include takeover protection provisions which are broadly based on the Australian takeovers regime.

OMH has recently received correspondence from Stratford Sun Limited ("Stratford") (a company controlled by Consolidated Minerals Limited ("ConsMin")), a company that has recently acquired a significant interest in the Company, requesting that the Special General Meeting be deferred.

Stratford has also claimed a number of defects on the proposed takeover protection provisions which, it alleges, prejudice its position.

OMH rejects the claims completely and unequivocally, and will be proceeding with the Special General Meeting as planned on 15 January 2009.

The timing of the Special General Meeting was determined on the basis of urgent, timely and prudent action by the Board following advice from ConsMin of their accumulated holding of 11% which OMH announced to the market on 28 November 2008.

**YOUR BOARD RECOMMENDS THAT YOU DISREGARD ANY CORRESPONDENCE YOU MAY RECEIVE FROM STRATFORD OR ANY OTHER ENTITY CONTROLLED OR RELATED TO CONSMIN SPECIFICALLY IN RELATION TO THIS MATTER.**

### **Why You Should Support the Resolution Proposed at Next Week's Meeting**

The reason your Directors have taken this action is quite simple: to ensure that **all** OMH Shareholders are afforded substantially similar rights and protections to those enjoyed by shareholders of other listed Australian companies.

As a result of its Bermudan incorporation, the takeover protection mechanisms which are applicable to publicly listed Australian companies do not currently apply to OMH. OMH has decided to take action to seek to address this issue now in part due to the recent changes to its shareholder register, which is discussed further below.

Currently, any person can acquire over 20% of the Company without extending an offer to all OMH Shareholders. The proposed takeover protection provisions seek to address this concern and require compliance with an appropriate procedure should any person wish to acquire control of OMH.

ConsMin would have you believe that the Company is seeking to "cherry pick" select parts of the Australian takeovers regime. This is simply not true.

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As OMH is a Bermudan incorporated company, it is not possible for the entire Australian takeovers regime to apply to OMH. What is important however is that the key principles upon which the Australian takeovers regime is founded are incorporated, namely:

- the acquisition of control takes place in an efficient, competitive and fully informed market;
- OMH Shareholders know the identity of any person who proposes to acquire a substantial interest in OMH in a timely manner;
- OMH Shareholders have a reasonable time to consider any corporate proposal and are given enough information to assess the merits of that proposal; and
- as far as is practicable, OMH Shareholders have a reasonable and equal opportunity to participate in any such proposal, irrespective of shareholding size.

The proposed takeover protection provisions encapsulate these key principles.

In respect of public statements made by ConsMin, and reported publicly, your Directors assure you that they are acting in the best interests of **all** OMH Shareholders in proposing and recommending the adoption of the proposed takeover protection provisions.

The Board is acutely aware that it has continuing obligations to act in OMH Shareholders' best interests in applying the takeover protection provisions and if they are adopted they will continue to do so. By contrast, ConsMin is only required to act in ConsMin's best interest and its statements and assertions should be read in this context only.

As first disclosed to the market by OMH in late November 2008, OMH understands that over the past 4 months a company controlled by ConsMin has accumulated a significant shareholding in OMH without any requirement to notify the Company or ASX of that interest. So far as OMH is aware, that shareholding is now approximately 12%.

The OMH Board is always pleased to see investor interest in the Company and strongly believes that such interest is positive for both the Company and its Shareholders. The Board does not seek to discourage any interested party from making a takeover offer for the Company but is committed to maximising OMH Shareholder value at all times, under all circumstances.

However, it is vitally important that as far as is practicable, **all** OMH Shareholders should have equal opportunity to participate in the event that a takeover offer or other corporate proposal may emerge which could result in a change in control of the Company.

This is what we are seeking to achieve with the adoption of these takeover protection provisions, none of which will prevent any party from making an offer for OMH or OMH Shareholders having the ability to decide whether to accept a compliant takeover offer. As OMH Shareholders do not currently have these protections, the Board believes that any delay in the meeting could prejudice you as a Shareholder.

OMH is of the firm belief it is in the best interests of **all** OMH Shareholders, especially small minority Shareholders, for the proposed takeover protection provisions to be adopted as soon as possible.

For the reasons set out in the Explanatory Statement lodged on the ASX on 23 December 2008, **the Board of OMH unanimously recommends that OMH Shareholders vote in favour of the resolution**. All OMH Board members intend to vote in favour of the resolution with respect to those shares in OMH held directly or indirectly by them.

The Company has to date received very strong Shareholder support for the proposed takeover protection provisions (from both its large strategic and institutional Shareholders through to its smaller Shareholder base).

Your Board urges you to participate in this important decision either by completing the attached Proxy Form or by attending the meeting in person. You may return the Proxy Form and any relevant Power of Attorney to the Company's Share Registry, Computershare Registry Services Pty Ltd at Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth, Western Australia 6000 or alternatively you may fax the completed Proxy Form to the Company's Singapore Head Office on (65) 6342 2242 by **no later than 11.00am Singapore time (12.00pm WDST or 2.00pm AEDST) on Tuesday 13 January 2009**.



If you require additional information in relation to this matter, please call the OMH Singapore Head Office on (65) 6346 5515.

On behalf of the OMH Board I would also like to thank the OMH Shareholders who have already returned their completed Proxy Forms to date and those who intend to do so because by supporting the proposed takeover protection provisions you are safeguarding your future position as a stakeholder and you are demonstrating that you welcome the protection comparable to that available to shareholders in the majority of other Australian listed companies in the event that a takeover offer or a change of control proposal may be made in the future.

OMH is presently in a very strong financial, operational and growth potential position, with robust cash flows, no debt, a world-class, long-life resource base and outstanding growth opportunities identified for 2009 and beyond. It is vital that the value of the Company is protected and maximised and that all OMH Shareholders (irrespective of shareholding size) can participate in the tremendous upside which we believe the Company has accumulated.

The OMH Board remains committed to delivering a growth strategy over the coming years that is based on both organic and inorganic opportunities which will ultimately benefit all OMH Shareholders.

Yours faithfully

Low Ngee Tong  
**Executive Chairman**  
**OM Holdings Limited**

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PROXY FORM

The Company Secretary  
OM Holdings Limited  
#08-08, Parkway Parade,  
80 Marine Parade Road  
Singapore 449269  
**By Facsimile: (65) 6342 2242**

I/We (name of member) .....  
of (address) .....  
being a member/members of OM Holdings Limited entitled to attend and vote at this Special General Meeting hereby appoint:  
(name of proxy) .....  
of (address) .....  
and/or failing him/her (name) .....  
of (address) .....  
and/or failing him/her, or if no person is named, the Chairman of the Meeting as my/our proxy in relation to all of my/our shares to vote for me/us and on my/our behalf at the Special General Meeting of the Company to be held at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore on Thursday 15 January 2009 at 11 am (Singapore time) and at any adjournment of the meeting.

If you wish to direct your proxy how to vote with respect to the proposed resolution, please indicate the manner in which your proxy is to vote by placing an "X" in the appropriate box below, otherwise your proxy will vote or abstain from voting as he/she thinks fit.

**Special Business**

	For	Against	Abstain
Resolution One - Amendment of Company's Bye-laws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*The Chairman intends to vote "FOR" the Resolution in relation to undirected proxies for which he is appointed as proxyholder.*

***This Proxy is appointed to represent \_\_\_\_% of my voting right, or if more than one proxy is appointed, the proxies represent my voting rights in the following proportions:  
Proxy 1 represents \_\_\_\_% and  
Proxy 2 represents \_\_\_\_% of my total votes.***

**If the member is an individual or a joint holder:**

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_

**If the member is a company:**

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A member entitled to attend and vote at this Special General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend and vote on his behalf at this Special General Meeting. A proxy need not be a member of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights. If such appointment is not made then each proxy may exercise the member's voting rights in equal proportions. Fractions shall be disregarded.
3. The proxy form must be signed personally by the member or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the corporation or its duly authorised attorney. In the case of joint members, this proxy form must be signed by at least one of the joint members, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a member, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies (including a power of attorney, if any) must be received by the Company at its Registered Office at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore 449269 or to the Company's Share Registry, Computershare Registry Services Pty Ltd at Level 2, Reserve Bank Building, 45 St George's Terrace, Perth, Western Australia 6000 no later than 48 hours before the time appointed for the holding of this Special General Meeting that is **by 11.00am Singapore Time on Tuesday 13 January 2009** by post to the respective addresses stipulated in this proxy form. Alternatively, the proxy form can be lodged by facsimile to the Company's Singapore Head Office on (65) 6342 2242 by the due date for receipt of valid proxy form.
6. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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