



25 March 2011

## NSX MARKET RELEASE

The NSX wishes to advise the market that the suspension currently imposed on Baribunma Holdings Limited (the Company) will continue until the issues in the attached letter sent to the Company have been resolved.

NSX advises the market that an announcement concerning the resignation of the Company Secretary has been received and released to the market but no further announcements in response to NSX queries have been received or released to date.

**Scott Evans**  
**General Manager**

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21 March 2011

Mr Geoff Denyer  
Company Secretary  
Baribunma Holdings Limited

CC:

Mr Peter Bancroft  
Director  
Baribunma Holdings Limited

Mr Roger Pringle  
Director  
Baribunma Holdings Limited

By email

Dear Mr Denyer

## **NSX QUERIES IN RELATION TO COMPLIANCE MATTERS**

Investigations by NSX in relation to Baribunma Holdings Limited ("The Company") have led us to query several aspects of The Company's compliance with the listing rules and Corporations Act.

We seek the Company's comments to the following and, where necessary, rectifying announcements as soon as possible but by no later than the due date.

### **Continuous Disclosure Obligations – Listing Rule Section 2A, 6.4**

The Company is bound by the listing rules of the NSX and in particular the continuous disclosure obligations in Listing Rule Section 2A, 6.4 and as described by practice note #6 available from the NSX website. In particular the Company needs to address the following issues:

#### **1) Appointment or resignation of Directors – Listing Rule Section 2A 6.17(2)**

As soon as possible the Company must report to the NSX any change in Directors and if the number of directors that are current falls below the Corporations requirement of 3 directors. The Company must:

- i) adhere to the Corporations Act requirement for the sufficient number of directors
- ii) lodge a notice of change of directors
- iii) lodge initial and final director notices
- iv) for newly appointed directors also lodge a director declaration – Listing Rule Section 2A, Appendix B.

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## 2) Appointment or Resignation of Company Secretary - Listing Rule Section 2A 6.17(4)

The Company must notify the NSX of any change in the Company Secretary. As the Company Secretary is also usually the main contact with the Company for the NSX and is the one authorised to lodge announcements, the Company must make arrangements and have arrangements already in place to keep the NSX and the market fully informed of changes. The Company should also lodge a summary of its corporate governance policy with NSX for release to the market.

## 3) Material changes to the Company – Listing rule Section 2A, 6.4 and 6.16(4)

The Company is obliged to disclose information to the market where that information may have a material effect on the price or value of securities.

On 18 March, the Company via Director Peter Bancroft, lodged an announcement with the NSX stating that”

*“The Board of directors of Baribunma Holdings Limited recently announced the results of the general restructuring which raised about \$60k towards the working capital of the company.”*

NSX today received an email from the Company purported to have been sent as an Announcement on 18 March which was unsuitable for release. That purported announcement advised that the \$60,000 was raised from the sale of Bus Chair intellectual property as part of a “general restructure”.

Further NSX cannot locate any more recent statement to the NSX of a proposed or actual restructure than the Annual report of 2010. The Company should declare that it has announced all information with respect to this transaction and if it has not announced then announce a statement by the due date.

On review of the Half Yearly accounts lodged on 16 March 2011, the statement of financial position on page 4 of the financial statements states that the cash position of the company is \$802. Also, there is no mention of the \$60k in the post balance date events section (note 6). Have the funds been paid to the Company yet, what purpose has the funds been applied to, why was this event missed from the accounts and has the Board approved the use of the funds?

## 4) Special Meeting – Listing rule Section 2A, 6.4, 6.7 and 6.16(3)

Note 6 of the Financial Statements relates to Subsequent Events. The note should be for events post 31 December 2010. However the events indicate and in the most part repeat the note from the Annual 2010 accounts that a special meeting is likely to be held in the final half of 2010.

- 1) Has a special meeting been held?
- 2) If so, why has no notice of meeting documentation or results of meeting documentation been lodged with the NSX?
- 3) If not, why is the Company still indicating that a meeting will be held in the final half of 2010?

## 5) Going Concern – Listing rule Section 2A, 6.4 and 6.54

Note 7 of the accounts states that “*the Directors believe that it [the inventory] can be sold to various individuals or organisations.*” The same note goes on to state that “*the Directors believe that it is difficult to sell the wheelchairs at this stage.*”

- a) Why have the Directors provided a conflicting statement in the accounts?
- b) Why have the Directors not impaired the value of the inventory given the difficulty to sell the wheelchairs?

**Significant Transactions – Listing Rule Section 2A, 6.41**

If the capital injection was via an asset sale, the Company must declare to the NSX that it is still in compliance with this Listing Rule and lodge the appropriate announcements.

**Dealing with Assets – Listing Rule Section 2A, 6.43**

If the capital injection was via an asset sale, the Company must declare to the NSX that it is still in compliance with this Listing Rule and lodge the appropriate announcements.

**Sufficient Operations – Listing Rule Section 2A, 6.54**

The Company must declare to the NSX that it is still in compliance with this Listing Rule and is able to maintain its listing status.

**Takeover provisions of the Corporations Act**

Note 6 of the Financial Statements states that the Company has “received several proposals” and that these proposals will result in the Company “effectively being taken over”. In the light of that statement the Company should declare that the takeover provisions of the Corporations Act have been adhered to.

**How and when to respond – Listing Rule Section 2A 6.56**

Please forward your response to these items directly to me ([scott.evans@nsxa.com.au](mailto:scott.evans@nsxa.com.au)) by **close of business on Thursday 24 March 2011** (the due date) though also make any rectifying announcements to the market as appropriate as soon as possible.

Please note that all responses must be in a form that can be lodged on the NSX announcements platform. This means that responses can only be provided on company letter, although the response can be scanned and emailed. This letter to you will also be lodged on the announcements platform once we have received your response.

Yours sincerely

Scott Evans  
General Manager