



# **Applabs Technologies Ltd**

## **ACN 139 977 772**

### **NOTICE OF MEETING AND EXPLANATORY MEMORANDUM**

**Thursday, 17 April 2014**

**09:30am (WST)**

**Conference Room, Level 8 Exchange Plaza  
2 The Esplanade, Perth WA 6000**

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on 9388 9968

**Legal Advisor**

**NOVALEGAL**  
CORPORATE LAWYERS

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## NOTICE OF GENERAL MEETING

Notice is given that a meeting of Shareholders of Applabs Technologies Ltd will be held at the Conference Room, Level 8 Exchange Plaza, 2 The Esplanade, Perth WA 6000 on Thursday, 17 April 2014 commencing at 09:30am (WST).

The Explanatory Memorandum to this Notice provides additional information on matter to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5:00pm on Tuesday 15 April 2014.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

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## AGENDA

### Resolution 1 – Approval of Tranche 2 Placement

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 11,200,000 Shares on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Resolution 2 - Ratification of Tranche 1 Placement

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:*

- (a) 3,090,500 Shares issued pursuant to ASX Listing Rule 7.1; and*
  - (b) 2,509,500 Shares issued pursuant to ASX Listing Rule 7.1A,*
- on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Resolution 3 - Ratification of Shares Issued for the Roster Elf Transaction**

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 431,966 Shares on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 19 March 2014

**BY ORDER OF THE BOARD**



**Damon Sweeny**

Company Secretary

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# EXPLANATORY MEMORANDUM

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at the Conference Room, Level 8 Exchange Plaza, 2 The Esplanade, Perth WA 6000 on Thursday, 17 April 2014 at 09:30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

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Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## 3. Background Information regarding the Placement

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### Background

As announced by the Company on 10 March 2014, the Company entered into binding subscription agreements for the purpose of raising a total of \$3,864,000 from sophisticated and institutional investors (**Placement**).

The Placement would be undertaken in two tranches, whereby:

- (a) the Tranche 1 Placement would raise \$1,288,000 by the issue of 5,600,000 Shares at an issue price of \$0.23 per Share under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A; and
- (b) the Tranche 2 Placement would, subject to obtaining prior Shareholder approval (being Resolution 1 in this Notice), raise \$2,576,000 by the issue of 11,200,000 Shares at an issue price of \$0.23 per Share.

The Placement Shares will only be issued to parties who can be issued Shares without the requirement for a disclosure document under section 708 of the Corporations Act. None of these allottees will be related parties of the Company.

The Company intends to use the funds raised from both tranches of the Placement towards:

- (a) expediting the development and release of the Company's Home Open application by employing more in-house software developers and design technicians;
- (b) implementing an aggressive marketing campaign with an increased advertising budget and employing an in-house sales team to expand the exposure of the Home Open application in the real estate industry;
- (c) identifying potential acquisitions and other financing opportunities which complement the Company's business and existing operations; and
- (d) working capital of the Company.

#### **Dilution as a result of the Placement**

Assuming that Shareholders approve the issue of the Tranche 2 Placement under Resolution 1, the effect of the Placement on the capital structure of the Company is provided in the following table:

	<b>Number</b>	<b>% Change</b>
Shares on issue as at the date of this Notice (including Shares issued pursuant to the Roster Elf Transaction)	25,526,971	
Shares to be issued pursuant to the Tranche 2 Placement (Resolution 1)	11,200,000	44%
Shares issued pursuant to the Tranche 1 Placement (Resolution 2)	5,600,000	22%
<b>Total Shares on settlement of the Placement</b>	<b>42,326,971</b>	

#### **4. Resolution 1 – Approval of Tranche 2 Placement**

(a) **General**

Resolution 1 seeks Shareholder approval for the issue of 11,200,000 Shares at an issue price of \$0.23 per Share to raise up to \$2,576,000 (**Tranche 2 Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Shares pursuant to the Tranche 2 Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

(b)

#### **Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement:

- (i) the maximum number of Shares to be issued is 11,200,000 Shares;
- (ii) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (iii) the issue price will be \$0.23 per Share;
- (iv) as announced by the Company on 10 March 2014, the allottees of the Tranche 2 Placement will be sophisticated and professional investors to whom the Company can issue the Tranche 2 Placement Shares without the requirement for a disclosure document under section 708 of the Corporations Act. None of these allottees will be related parties of the Company;
- (v) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (vi) the Company intends to use the funds raised from the Tranche 2 Placement for the purposes outlined in Section 3 above; and
- (vii) the dilutionary effect of the issue of the Tranche 2 Placement Shares and the effect on the Company's capital is outlined in Section 3 above.

## **5. Resolution 2 - Ratification of Tranche 1 Placement**

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(a)

### **General**

On 20 March 2014 the Company issued 5,600,000 Shares at an issue price of \$0.23 per Share to raise \$1,288,000 (**Tranche 1 Placement**).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Tranche 1 Ratification**).

Pursuant to the Tranche 1 Placement:

- (a) 3,090,500 Shares were issued pursuant to ASX Listing Rule 7.1; and
- (b) 2,509,500 Shares were issued pursuant to ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that an “Eligible Entity” may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting. This extra 10% capacity is in addition of the Company’s 15% capacity under ASX Listing Rule 7.1. The Company confirms that it is an “Eligible Entity” and that it obtained approval from Shareholders at its last annual general meeting for this placement capacity in accordance with the ASX Listing Rules.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 25% annual placement capacity set out in ASX Listing Rule 7.1 and 7.1A without the requirement to obtain prior Shareholder approval.

(c) **Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Tranche 1 Ratification:

- (i) A total of 5,600,000 Shares were issued, with 3,090,500 Shares being issued pursuant to ASX Listing Rule 7.1 and 2,509,500 being issued under ASX Listing Rule 7.1A;
- (ii) the issue price was \$0.23 per Share;
- (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) as announced by the Company on 10 March 2014, the allottees will be professional and sophisticated investors whom the Company can issue the Tranche 1 Placement Shares without the requirement for a disclosure document under section 708 of the Corporations Act. None of these subscribers are related parties of the Company; and
- (v) the Company intends to use the funds raised from the Tranche 2 Placement for the purposes outlined in Section 3 of this Explanatory Memorandum.

**6. Resolution 3 - Ratification of Shares Issued for the Roster Elf Transaction**

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(a) **General**

As announced by the Company to the ASX on 28 February 2014, the Company completed its acquisition of a twenty five percent interest in all the issued capital of Roster Elf Pty Ltd (**Roster Elf**). As part consideration for the acquisition, on 10 March 2014 the Company issued a total of 431,966 Shares to the shareholders of Roster Elf.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX listing Rule 7.1 provides that a company must not subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 .

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

(b)

**Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (i) 431,966 Shares were issued;
- (ii) the Shares were issued as part consideration for the acquisition of a twenty five percent interest in Roster Elf Pty Ltd;
- (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) the Shares were issued to the shareholders of Roster Elf Pty Ltd in equal proportions, who are not a related parties of the Company, being:
  - A. 215,983 Shares to Brendal Holdings Pty Ltd; and
  - B. 215,983 Shares to Big Leap Pty Ltd.
- (v) no funds were raised from this issue as the Shares were issued as part consideration for the acquisition of a twenty five percent interest in Roster Elf Pty Ltd.

## Schedule 1 – Definitions

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In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**Chair** or **Chairman** means the person appointed to chair the Meeting conveyed by this Notice.

**Company** means Applabs Technologies Ltd (ACN 139 977 772)

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Placement** means both the Tranche 1 Placement and the Tranche 2 Placement.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Tranche 1 Placement** has the meaning specified in Section 5(a) of the Explanatory Memorandum.

**Tranche 2 Placement** has the meaning specified in Section 4(a) of the Explanatory Memorandum.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

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**PROXY FORM**  
**APPOINTMENT OF PROXY**  
**APPLABS TECHNOLOGIES LIMITED**  
**ACN 139 977 772**  
**GENERAL MEETING**

I/We

of

being a member of Applabs Technologies Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy (Please note: Leave blank if you have selected the Chair of the General Meeting as your proxy.)

OR  the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, and subject to the relevant laws as the proxy sees fit at the General Meeting to be held at the Conference Room, Level 8 Exchange Plaza, 2 The Esplanade, Perth WA 6000 on Thursday, 17 April 2013 at 09:30am (WST) and at any adjournment thereof.

**OR**

**Voting on Business of the General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
RESOLUTION 1 – APPROVAL OF TRANCHE 2 PLACEMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 2 – RATIFICATION OF TRANCHE 1 PLACEMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3 – RATIFICATION OF SHARES ISSUED FOR THE ROSTER ELF TRANSACTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_%.

**Signature of Member(s):**

**Date:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:**

**Contact Ph (daytime):**

**Date:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## APPLABS TECHNOLOGIES LTD (ACN 139 977 772)

### Instructions for Completing 'Appointment of Proxy' Form

1. A Member with two or more votes entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Member of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act 2001. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - (a) two directors of the company;
  - (b) a director and a company secretary of the company; or
  - (c) for a proprietary company that has a sole director who is also the sole company secretary - that director.
4. For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
5. Completion of a proxy form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
6. If a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, and you have not already provided the power of attorney to the registry, you should attach the power of attorney or a certified copy to this form when you return it.
7. To vote by proxy, please complete and sign the proxy form enclosed:
  - (a) send the proxy form by post to Applabs Technologies Ltd, PO Box 994, Subiaco, WA 6904; or
  - (d) by facsimile to the Company on facsimile number (+ 61 8) 6389 0576,so that it is received not later than 48 hours prior to the commencement of the Meeting. Proxy forms received later than this time will be invalid.