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Byte Power Group Limited ABN 80 009 268 571

## Notice of Annual General Meeting and Explanatory Memorandum

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Date of Meeting: Friday 30 November 2018

Time of Meeting: 3.00 pm (Brisbane time)

Place of Meeting: HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane

# Notice of Annual General Meeting

Notice is given that an Annual General Meeting of shareholders of Byte Power Group Limited ABN 80 009 268 571 (**Company**) will be held at the offices of HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane, on Friday 30 November 2018 at 3.00 pm (Brisbane time).

## Agenda

### Ordinary business

#### 1. Financial Reports

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To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflow and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2018.

Note: There is no vote on this item.

#### 2. Resolution 1 - Re-election of Raphael Tham as a director

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That Raphael Tham, who retires by rotation in accordance with Rule 38.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

#### 3. Resolution 2 - Re-election of Yano Lim as a director

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That Yano Lim, who retires by rotation in accordance with Rule 38.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

#### 4. Resolution 3 - Remuneration Report

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To consider and, if thought fit, pass the following non-binding Ordinary Resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2018 (as set out in the Directors Report) is adopted."

#### Non-binding Resolution

Resolution 1 shall be determined as if it was an Ordinary Resolution but under section 205R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors of the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

#### Voting Restriction pursuant to section 250R(4) of the Corporations Act

Terms used in this Notice of Meeting are defined in the Interpretation section of the accompanying Explanatory Memorandum (Section 8).

# Notice of Annual General Meeting

## **Voting Restriction pursuant to section 250R(4) of the Corporations Act (continued)**

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of a KMP.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

However, a vote may be cast on Resolution 1 by a KMP or a Closely Related Party of a KMP, if:

- (a) the KMP or a Closely Related Party of a KMP does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of a KMP; and
- (c) either:
  - (1) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (2) the proxy is the chair of the Meeting and the appointment of the chair as proxy:
    - (A) does not specify the way the proxy is to vote on the resolution; and
    - (B) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

Shareholders should be aware that any undirected proxies given to the chair will be cast by the chair and counted in favour of Resolution 1, subject to compliance with the Corporations Act.

## **5. Resolution 4 - Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A**

To consider and, if thought fit, to pass the following resolution, as a Special Resolution of the Company with or without amendment:

“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (Placement Securities).”

# Notice of Annual General Meeting

## Voting exclusion statement

The Company will disregard any votes in favour of this Special Resolution by:

- any person who may participate in the issue of the Placement Securities and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or
- any associate of such a person.

However, the Company need not disregard a vote if:

- it is cast by a person as 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 the direction on the proxy form to vote as the proxy decides.

## Important note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

## 6. Resolution 5 - Approval of Converting Loan and the Issue of Shares to Tan Ching Liang upon conversion

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

"That in accordance with the provisions of Listing Rule 7.1 of the Official Listing Rules of the ASX Limited (**ASX**) (**ASX Listing Rules**) and for all other purposes, the Shareholders approve and authorise the converting loan with Tan Ching Liang (**Tan**) and the issue of 100,000,000 fully paid ordinary shares (**Tan Shares**) at an issue price of AUD\$0.01 each to Tan (or his nominee) upon conversion of the converting loan on the terms and conditions as contained in this notice of meeting and attached Explanatory Memorandum."

## Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Tan; or
- any associate of Tan.

However, the Company need not disregard a vote if:

- it is cast by a person as 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 the direction on the proxy form to vote as the proxy decides.

# Notice of Annual General Meeting

## General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board.  
Michael Wee  
Company Secretary  
31 October 2018

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# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to shareholders of Byte Power Group Limited ABN 80 009 268 571 (**Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane, on Friday 30 November 2018 at 3:00 pm (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 8.

The Notice of Meeting sets out the details of eight (8) separate resolutions to be put to Shareholders comprising the following:

## 2. Financial Statements and Reports

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The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company for the financial year ended 30 June 2018 were released to the ASX Limited on 29 September 2018. Pursuant to section 317 of the Corporations Act, the Company's Annual Report will be laid before the Meeting. Shareholders will be given the opportunity to raise questions or comments on the reports at the Meeting. No voting is required for this item.

## 3. Resolution 1 - Re-election of Raphael Tham as a director

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Raphael Tham retires in accordance with Clause 38 of the Company's Constitution and, being eligible, offers himself for re-election as a non- Executive Director.

Mr Tham was appointed on 7 June 2004.

Raphael is a Singaporean who has strong technology industry credentials and is an experienced business strategist. He has held senior positions and advisory roles with a number of companies in Asia. His skills and experience include starting new businesses, overseas expansion and mergers and acquisitions.

The Directors (with Mr Tham abstaining) recommend that you vote in favour of this Ordinary Resolution.

## 4. Resolution 2 - Re-election of Yano Lim as a director

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Yano Lim retires in accordance with Clause 38 of the Company's Constitution and, being eligible, offers himself for re-election as a non- Executive Director.

Mr Lim was appointed on 9 November 2015.

Yano has over 20 years' experience as a Business Analyst for large corporations reviewing business processes, change management and systems enablement. His strong Business Analytical skills and experience in various overseas environments such as Australia, New Zealand, Indonesia, Papua New Guinea and the United States of America brings valuable insight to the Group.

The Directors (with Mr Lim abstaining) recommend that you vote in favour of this Ordinary Resolution.

## 5. Resolution 3 - Remuneration Report

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The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Ordinary Resolution. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Board will, however, take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

If at least 25% of the votes cast on the resolution to adopt the Remuneration Report are against adoption of the report, then:

- if comments are made on the report at the Meeting, the Company's remuneration report for FY19 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2019 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of Directors (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2019 Annual General Meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Noting that each Director has a personal interest in their remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

## 6. Resolution 4 - Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

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### 6.1 Introduction

Pursuant to Resolution 4, the Company is seeking Shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by special resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12 month period pursuant to Listing Rule 7.1.

The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, may be applied towards potential acquisition, supporting the development of the Company's current businesses, for the retirement of debt of the Company and for general working capital.

## 6.2 Listing Rule 7.1A

### (a) General

#### (1) Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligible Entity**).

For illustrative purposes only, on 30 September 2018, the Company's market capitalisation was \$27,585,630 based on the last closing trading price before the suspension of shares on 22 December 2017. The calculation of market capitalisation will be based on the last closing trading price of the shares, on the last trading day on which trades in the shares were recorded before the date of the AGM, multiplied by the number of shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 4, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

(2) **Special Resolution**

Listing Rule 7.1A requires this Resolution 4 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the meeting.

(3) **Shareholder Approval**

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

(b) **10% Placement Period - Listing Rule 7.1A.1**

Assuming Resolution 4 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the AGM; or
- (2) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire, on 30 November 2019. The approval will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under listing rule 11.1.2 or 11.2.

(c) **Calculation for Additional 10% Placement - Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval); and
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

**D** is 10 percent.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(d) **Listing Rule 7.1A.3**

(1) **Equity Securities**

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this notice of meeting, the only class of Equity Securities in the Company quoted on the ASX are ordinary shares. The Company presently has 3,065,069,989 ordinary shares on issue at the date of this Notice of Meeting.

(2) **Minimum Issue Price**

The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (A) the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- (B) if the relevant Placement Securities are not issued within five trading days of the date in paragraph (A) above, the date on which the relevant Placement Securities are issued.

(e) **Information to be given to ASX - Listing Rule 7.1A.4**

If Resolution 4 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, which will be released to the market on the date of issue:
  - (A) details of the dilution to the existing holders of Equity Securities caused by the issue;
  - (B) where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing shareholders would have been eligible to participate;
  - (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
  - (D) any other fees or costs incurred in connection with the issue.

(f) **Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 3,065,069,989 Shares. The Company will have the capacity to issue the following Shares on the date of the Meeting:

- (1) 459,760,498 Shares under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under Resolution 4, 306,506,999 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

6.3 **Specific Information required by Listing Rule 7.3A**

(a) **Minimum Price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1**

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

(b) **Risk of economic and voting dilution - Listing Rule 7.3A.2**

As provided by Listing Rule 7.3A.2, there is a risk of economic and voting dilution to the existing shareholders. The Company currently has on issue 3,065,069,989 Shares. The Company could issue 306,506,999 Shares on the date of the Meeting, however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above. Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

## Risk of economic and voting dilution - Listing Rule 7.3A.2 (continued)

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- decreased by 50%; and
- increased by 100%.

**Table 1**

Issued Share Capital	50% decrease in Market Price \$0.0045		Current Market Price \$0.009		100% increase in Market Price \$0.018	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital = 3,065,069,989 shares	306,506,999	\$1,379,281.50	306,506,999	\$2,758,563.00	306,506,999	\$5,517,125.98
50% Increase in Share Capital = 4,597,604,984 shares	459,760,498	\$2,068,922.24	459,760,498	\$4,137,844.48	459,760,498	\$8,275,688.96
100% Increase in Share Capital = 6,130,139,978 shares	613,013,998	\$2,758,563.00	613,013,998	\$5,517,125.98	613,013,998	\$11,034,251.96

### Assumptions and explanations

- The Market Price is \$0.009, based on the closing price of the Shares on ASX on 22 December 2017.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not:
  - any Shares issued under the 15% under Listing Rule 7.1;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issued share capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 15 October 2018.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

#### (a) Final date for issue - Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 30 November 2019.

However, this approval will cease to be valid in the event that holders of the eligible entity's ordinary securities approve a transaction under rule 11.1.2 or rule 11.2.

(b) **Purpose - Listing Rule 7.3A.4**

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, may be applied towards potential acquisitions, supporting the development of the Company's current businesses, for the retirement of debt of the Company and for general working capital.

(c) **Shares Issued for Non-cash consideration - Listing Rule 7.3A.4**

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments or as consideration for services provided to the Company. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

(d) **Company's Allocation Policy - Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

(e) **Shares Issued Since Last AGM - Listing Rule 7.3A.6**

The Company has issued the following Equity Securities since the 2017 AGM. The issue of these shares was pursuant to a resolution of shareholders passed at the 2017 AGM –

- (a) 200,000,000 ordinary fully paid shares in the Company to Mr Raphael Tham (and/or his nominee) at \$0.001 per Share;
- (b) 30,000,000 ordinary fully paid shares in the Company to Mr Yano Lim (and/or his nominee) at \$0.001 per Share;
- (c) 500,000,000 ordinary fully paid shares in the Company to Mr Alvin Phua (and/or his nominee) at \$0.001 per Share.

The Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. At the date of issue the shares in the Company were suspended. The last closing trading price of the shares on the last trading day on which trades in the shares were recorded was \$0.009 on 22 December 2017. The issue price represents an 88.89% discount to the last closing trading price of the shares on the last trading day on which trades in the shares were recorded. The last closing trading price of the shares on the day when the Notice of Meeting for the 2017 AGM was released was \$0.001. The shares were issued in lieu of once-off discretionary bonuses for the directors in recognition of their significant contribution and leadership in guiding the company through challenging times.

#### 6.4 **Voting Exclusion Statement - Listing Rule 7.3A.7**

A voting exclusion statement is included in the Notice. At the date of the Notice, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

#### 6.5 **Directors Recommendation**

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 4.

### 7. **Resolution 5 - Approval of Converting Loan and the Issue of Shares to Tan Ching Liang upon conversion**

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#### 7.1 **Introduction**

On 9 April 2018 the Company entered into a converting loan agreement with Tan Ching Liang (**Tan**)(**Tan Agreement**). Under the converting loan agreement, the Company was provided with a loan in the amount of AUD\$1,000,000 with a maturity date of 9 April 2021 with the right to issue and allot shares subject to Shareholder approval.

The conditions of the Tan Agreement are:

- (a) loan amount of AUD\$1,000,000 (**Tan Loan Amount**);
- (b) number of Notes – 100,000,000 (**Convertible Notes**);
- (c) the right to convert the Convertible Notes to shares in the Company which are equivalent in value to the Loan Amount and have an issue price of AUD\$0.01 per Share, subject to Shareholder approval;  
or
- (d) by bank cheque or bank transfer to Tan for the Loan Amount.

Tan as the lender has the option to have the Loan Amount repaid through the issue of Shares or by repayment of the Loan Amount in cash per the Tan Agreement.

## 7.2 Resolution 5

Resolution 5 seeks Shareholder approval for the converting loan and should Tan elect to convert the Loan Amount to shares in the Company, the issue of up to 100,000,000 Shares on conversion of the converting loan to Tan (**Tan Shares**) in satisfaction of the obligation of the Company to repay the Tan Loan Amount if Tan elects to convert the Loan Amount to shares.

If the issue of the Tan Shares is not approved the Company will be required to repay the Tan Loan Amount on or before 9 April 2021.

## 7.3 Listing Rule 7.1

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12-month period without the prior approval of its shareholders.

In accordance with Listing Rule 7.1 and the terms and conditions of the Tan Agreement the Company is now seeking the approval of Shareholders for the issue of the Tan Shares should Tan elect to convert the Loan Amount to shares.

The effect of the Shareholders approving the issue of the Tan Shares if Tan elects to convert the Tan Loan Amount to shares will be that the issue will not be counted as part of the Company's 15% limit under ASX Listing Rule 7.1, and the Company will therefore retain a greater proportion of the 15% limit for any subsequent requirements that may arise.

In accordance with ASX Listing Rule 7.3, the Company advises as follows:

- the maximum number of Shares that will be issued under this Resolution 5 is 100,000,000 Shares;
- the equity securities, being the converting loan under the Tan Agreement will come into effect from the date of the AGM subject to the passing of Resolution 5. The Tan Shares will only be issued and allotted should Tan elect to convert the Loan Amount to shares in the Company;
- the issue price of the Tan Shares would be AUD\$0.01 per Tan Share;
- there is no minimum transaction per tranche for the conversion of the Tan Shares should Tan elect to convert any part of the Loan Amount to shares;
- the Tan Shares will be issued to Tan who falls within one or more of the classes of exemptions specified in Section 708 of the Corporations Act. The Company confirms that Tan is not a related party of the Company (within the meaning of the Corporations Act and the Listing Rules);
- the Tan Shares would have the same rights and entitlements as all other fully paid ordinary shares in the issued capital of the Company;
- the Company would make application for quotation of the Tan Shares to be issued; and
- the Tan Loan Amount was used for general working capital and retiring existing debt.

#### 7.4 Director recommendation

The Directors unanimously recommend to Shareholders that they vote in favour of Resolutions 5 at the Meeting.

#### 7.5 Voting requirements

Resolutions 1, 2, 3 and 5 of the Meeting are Ordinary Resolutions and so requires the approval of more than 50% of the votes cast by Shareholders. A voting exclusion statement is contained after each of Resolutions 3, 4, and 5.

### 8. Interpretation

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**ASIC** means the Australian Securities and Investments Commission;

**Associate** has the meaning given to that term in Chapter 19 of the ASX Listing Rules.

**ASX** means the ASX Limited ACN 008 624 691;

**Board** means the board of the Company;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations under the Corporations Act for the purposes of the definition of a closely related party under the Corporations Act;

**Company** means Byte Power Group Limited ACN 009 268 571;

**Corporations Act** means Corporations Act 2001 (Cwlth);

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the meaning given to that term in the Listing Rules;

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

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

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

**Market Price** has the meaning given to that term in the Listing Rules;

**Meeting or AGM** means the annual general meeting of the Company to be held on 30 November 2018;

**Notice** mean this notice of meeting.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution to be proposed at the Meeting;

**Section** means a section of this Explanatory Memorandum;

**Shares** means ordinary fully paid shares in the issued capital of the Company;

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

**Special Resolution** means a resolution:

- (g) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and,
- (h) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution

**VWAP** means the Volume Weighted Average Price.

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*Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Michael Wee (Company Secretary):*

*43 Nariel Street, Albion Qld 4010  
(07) 3620 1688*

## Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below, or the Share Registry**, Level 15, 324 Queen Street, Brisbane, QLD 4000 not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Byte Power Group Limited  
43 Nariel Street, Albion Qld 4010  
Telephone Phone: 07 3620 1688  
Facsimile No: 07 3620 1689

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

## Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney Time) on 29 November 2018 (Noting that this will be 6.00pm Brisbane time). Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, either of the security holders may sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a sole Director who is also the sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

**LODGE YOUR VOTE**

**BY MAIL**  
Byte Power Group Limited  
43 Nariel Street  
ALBION QLD 4010

**BY FAX**  
07 3620 1689

**BY HAND**  
Byte Power Group Limited  
43 Nariel Street, Albion Qld 4010

**ALL ENQUIRIES TO**  
Telephone: 07 3620 1688



**X99999999999**

**PROXY FORM**

I/We being a member(s) of Byte Power Group Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm (Brisbane time) on Friday, 30 November 2018 at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolution 3:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 3, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .**

Resolutions	For	Against	Abstain*		For	Against	Abstain*
1 Re-election of Raphael Tham as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Converting Loan and the Issue of Shares to Tan Ching Liang upon conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Yano Lim as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)  Joint Shareholder 2 (Individual)  Joint Shareholder 3 (Individual)   
Sole Director and Sole Company Secretary  Director/Company Secretary (Delete one)  Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

For personal use only

STEP 1

STEP 2

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (Brisbane time) on Wednesday, 28 December 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### BY MAIL

Byte Power Group Limited  
43 Nariel Street  
ALBION QLD 4010



#### BY FAX

07 3620 1689



#### BY HAND

delivering it to:  
Byte Power Group Limited\*  
43 Nariel Street  
ALBION QLD 4010

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**