

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of eCargo Holdings Limited, ARBN 601 083 069, Hong Kong Company Number 2088880 (the "Company") will be held at 4:00pm (Sydney, Australia Time), 2:00pm (Hong Kong Time) on Tuesday, May 14, 2019 at Portside Conference Centre, 207 Kent Street, Sydney NSW 2000.

If you are unable to attend the meeting, we encourage you to complete and return the enclosed CDI Voting Instruction Form ("Form"). The completed Form must be received at the address shown on the Form by 4:00pm (Sydney, Australia Time), 2:00pm (Hong Kong Time) on Saturday, May 11, 2019. Any CDI Voting Instruction Form received after that time will be invalid.

BUSINESS

1. 2018 Financial Statements

To receive and consider the financial statements, the reports of the Directors and Auditor and other documents required to be annexed to the financial statements for the year ended December 31, 2018 and as lodged with Australian Securities Exchange ("ASX").

No resolution is required by law in respect of this agenda item. However, it will provide shareholders with the opportunity to ask questions of the Directors and Auditor of the Company in relation to the financial statements.

2. Resolution 1 – Remuneration of Directors

That the following resolution be approved as an **ordinary resolution**:

"Subject to not increasing the total aggregate amount of Director fees payable to all non-executive Directors (previously approved prior to the admission of the Company to the ASX, as an aggregate of A\$500,000), that the Board, with the advice from the nomination and remuneration committee, be authorised to fix the remuneration of the Directors for the year ending December 31, 2019."

3. Resolution 2 – Election of Director – Mr. John Lau

That the following resolution be approved as an **ordinary resolution**:

"That Mr. John Lau (Executive Chairman and Executive Director) retires as a Director in accordance with Article 24 of the Company's Articles of Association and the ASX Listing Rules, and, being eligible, is elected as a Director of the Company."

4. Resolution 3 – Election of Director – Mr. Heath Zarin

That the following resolution be approved as an **ordinary resolution**:

"That Mr. Heath Zarin (Non-Executive Director) retires as a Director in accordance with Article 24 of the Company's Articles of Association and the ASX Listing Rules, and, being eligible, is elected as a Director of the Company."

5. Resolution 4 – Re-appointment of Auditors

That the following resolution be approved as an **ordinary resolution**:

"That PricewaterhouseCoopers, being the Auditor of the Company be re-appointed as the Auditor and that the Directors be authorised to fix their remuneration."

6. Resolution 5 – Approval of 10% placement facility

That the following resolution be approved as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue 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 Annual General Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement: The Company will disregard any votes cast in favour of this resolution 5 by or on the behalf of:

- a person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares or CDIs, if this resolution 5 is passed; and
- an associate of that person (or 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.

Important note: The proposed allottees of any Equity Securities under the 10% Placement Facility 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 this resolution), 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.

7. Resolution 6 – General Mandate to Issue and Allot New Shares

That the following resolution be approved as an **ordinary resolution**:

"That, subject to any restriction in the ASX Listing Rules in relation to issuing new capital (including ASX Listing Rules 7.1, 7.1A, 10.11 and 10.14), the Corporations Act 2001 (Cth), pursuant to Section 141 of the Companies Ordinance, Hong Kong, Cap 622, a general mandate shall be given to Directors to issue and allot new shares in the capital of the Company at any time to any such persons, and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit be approved, and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

As at the date of this notice, the total number of Shares in issue was 615,250,000 Shares. Assuming there is no issue of Shares or any buy back of Shares from the date of this notice up to the date of the Annual General Meeting, the number of Shares that can be issued pursuant to the



General Mandate to issue and allot new shares will be 153,812,500 Shares, representing 25% of the Company's issued share capital as at the date of the Annual General Meeting (assuming Resolution 5 is approved)."

8. Resolution 7 – General Mandate to Buy Back Shares

That the following resolution be approved as an **ordinary resolution**:

"That, subject to any restriction in the ASX Listing Rules in relation to buy back Shares (including ASX Listing Rules 7.29 to 7.36 (inclusive)), the Corporations Act 2001 (Cth), pursuant to Section 239 of the Companies Ordinance, Hong Kong, Cap 622, a general mandate shall be given to Directors to buy back Shares in the capital of the Company at any time from any such persons, and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit be approved, and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

As at the date of this notice, the total number of Shares in issue was 615,250,000 Shares. Assuming there is no issue of Shares or any buy back of Shares from the date of this notice up to the date of the Annual General Meeting, the number of Shares that can be buy back pursuant to the General Mandate to buy back Shares will be 61,525,000 Shares, representing 10% of the Company's issued share capital as at the date of the Annual General Meeting."

NOTES

(i) Voting entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting and CDI holding of CDI holders will be taken to be held by the persons who are registered as members at 5:00pm (Sydney, Australia Time), 3:00pm (Hong Kong Time) on Friday, May 10, 2019. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the Annual General Meeting.

(ii) Proxy voting by holders of Shares

Shareholders who are unable to attend the Annual General Meeting are requested to complete, sign, date and return the Proxy Form.

A Proxy Form must be received at the address shown on the Proxy Form by 4:00pm (Sydney, Australia Time), 2:00pm (Hong Kong Time) on Sunday, May 12, 2019. Any Proxy Form received after that time will be invalid.

(iii) Direct voting by holders of CDIs

Holders of CDIs are invited to attend the Annual General Meeting.

CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to Link Market Services Limited.

In order to direct CHES Depositary Nominees Pty Ltd ("CDN") to vote the relevant



underlying Ordinary Shares on his or her behalf. The CDI Voting Instruction Form must be received at the address shown on the Form below by 4:00pm (Sydney, Australia Time), 2:00pm (Hong Kong Time) on Saturday, May 11, 2019.

- **Online:** at <https://www.linkmarketservices.com.au/u> using the detail contained in the CDI Voting Instruction Form;
- **By mail:** to eCargo Holdings Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
- **By fax:** to +61 2 9287 0309
- **By hand:** by delivering it to Link Market Services Limited at 1A Homebush Bay Drive Rhodes NSW 2138

Any CDI Voting Instruction Form received after that time will be invalid.

By order of the Board

For personal use only

Explanatory Statement

This explanatory statement accompanies the Annual General Meeting of eCargo Holdings Limited, ARBN 601 083 069, Hong Kong Company Number 2088880 (the "Company") to be held at 4:00pm (Sydney Australia Time) 2:00pm (Hong Kong Time) on Tuesday, May 14, 2019 at Portside Conference Centre, 207 Kent Street, Sydney NSW 2000.

Item 1: 2018 Financial Statements

This item gives shareholders an opportunity to ask questions with respect to the financial statements, the reports of the Directors and Auditor and other documents required to be annexed to the financial statements for the year ended on December 31, 2018 (**Statements and Reports**).

The Statements and Reports have been filed on the ASX electronic filing system for Market Announcements, and are available on the Company website www.eCargo.com.

Item 2: The Resolutions

Resolution 1: Remuneration of Directors

Article 28 of the Company's Memorandum and Articles of Association entitles the Company to fix the aggregate remuneration for Directors for the following year.

With respect to non-executive director remuneration, this aggregate will not be fixed above the aggregate amount already approved by the Directors prior to admission to the ASX with respect to non-executive director remuneration (namely, A\$500,000) as such an increase will require shareholder approval under ASX Listing Rule 10.17.

Resolution 2 - 3: Election of Director

Pursuant to both the ASX Listing Rules and the Articles of Association, a Director must, if appointed as a casual vacancy, retire as Director and be appointed by shareholders in general meeting. Further, a Director must be subject to retirement by rotation at least once every three years. The Articles of Association further provides that at every subsequent annual general meeting following the first annual general meeting, one-third of the Directors for the time being must retire from the office.

The following two Directors will retire and offer themselves for election. The profiles of the retiring Directors are as follows:

Name and Role	Experience and Responsibilities
Mr. John Lau Executive Chairman and Executive Director	Mr. John Lau is the Executive Chairman, founder and Executive Director of ECG. He is Chairman and founder of ECG's largest shareholder, JL Enterprises Holdings Limited ("JL Enterprises"). He is Group Managing Director and founder of ECG's strategic

For personal use only

	<p>investor, CS Logistics Holdings Limited ("CS Logistic"). He is the Managing Director and founder of Cargo Services Far East Limited ("Cargo Services"), a principal operating subsidiary of the CS Logistics group of companies and Managing Director and founder of Xin Hai Hua Enterprises.</p> <p>Mr. John Lau brings more than 40 years of experience in trading, shipping and logistics in China. Over the years, he cooperated successfully with major financial sponsors in Asia such as Prudential Asia and HSBC Principal Investments. His pursuit for excellence in providing professional services is well known and acknowledged by many major retailers and brands worldwide.</p> <p>Mr. John Lau founded Cargo Services in 1990 as an ocean freight non-vessel operating cargo carrier. He has led the growth of Cargo Services in becoming a leader in international logistics. Today, Cargo Services is the largest privately owned integrated logistics service provider and freight forwarder in China and Hong Kong.</p> <p>Mr. John Lau founded Midstream Holdings Limited ("MHL") in 1995. He was Managing Director of MHL from 1995 to 1997. MHL was acquired by Hutchison Port Holdings in 1997.</p> <p>Mr. John Lau founded Wide Shine Terminals Limited ("WST") in 1990. He was Managing Director and founder of WST from 1990 to 1995. WST was subsequently acquired by MHL in 1995.</p> <p>Mr. John Lau founded Hoi Kong Terminals Limited ("Hoi Kong") in 1986. He was the Managing Director from 1986 to 1990. Hoi Kong was acquired by Jardines Shipping Services Limited in 1990.</p> <p>Mr. John Lau holds Bachelor of Social Sciences from the University of Hong Kong, and joined Dodwell & Co. in their Hong Kong buying office working with many international retailers and trading companies sourcing from China. He quickly rose to become a director at Dodwell & Co. He left Dodwell & Co. in 1983 to start his own businesses in shipping and international logistics.</p> <p>Mr. John Lau was appointed as a committee member of the Chinese People's Political Consultative Conference Nanjing Committees in the tenth and eleventh elections.</p> <p>Mr. John Lau served as Independent Non-executive Director of Golden Eagle Retail Group Limited (SEHK: 3308) from 1999 to 2011 and Nanjing Sample Technology Company Limited (SEHK: 1708) from 2003 to 2011.</p>
--	--

<p>Mr. Heath Zarin Non-Executive Director</p>	<p>Mr. Heath Zarin is CEO and Managing Director of EmergeVest, a Hong Kong based private equity firm with more than USD450 million of assets under management.</p> <p>Mr. Heath Zarin was previously Managing Director and Head of Principal Investments, Asia-Pacific, for HSBC, with responsibility for Asian proprietary private investment activities. Previously, he founded and ran Emergent Investment Group ("EIG"), a Hong Kong-based private investment firm. Prior to founding EIG, Mr. Heath Zarin held a series of senior executive roles at Credit Suisse, including forming and managing its Asian private equity business.</p> <p>Mr. Heath Zarin practiced corporate law with Schulte Roth & Zabel LLP in New York, where he formed and advised hedge funds and private equity funds. Mr. Heath Zarin's current and previous board service includes companies across Asia, Europe and North America, in diverse manufacturing and service industries. He currently serves as Chairman of EV Cargo, Allport Cargo Services, CM Downton, Jigsaw Transport, Palletforce, NFT Distribution and Adjuno, as well as non-executive director of CS Logistics.</p> <p>Mr. Heath Zarin holds a Juris Doctor from the Fordham University School of Law and graduated from the State University of New York at Binghamton. He is CFA, CMT and CAIA charterholder and has completed Certificate programs at Harvard Business School.</p>
--	--

Resolution 4: Re-appointment of Auditor

This item gives shareholders an opportunity to ask questions with respect to the appointment of external auditors.

Resolution 5: Approval of 10% placement facility

(a) Purpose of resolution

The purpose of Resolution 5 is to authorise the Directors to issue a further 10% of its issued share capital under Listing Rule 7.1A during the 10% Placement Period (defined in paragraph (c) below) in addition to and without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution.

(b) General information

Listing Rule 7.1A enables "eligible entities" to issue Equity Securities of up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

For personal use only

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

"Equity Securities" includes (a) a share, (b) a unit, (c) a right to a share or unit or option, (d) an option over an issued or unissued security and (e) a convertible security.

The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Paragraph (c)(i) below).

The Company is seeking approval for the extra 10% placement facility to ensure that the business has the ability to raise extra equity when required to maintain the optimal capital structure and provide flexibility to take advantage of future growth opportunities, investment opportunities and to fund its general working capital.

(c) Description of Listing Rule 7.1A

(i) General

- Shareholder approval

The ability to issue Equity Securities (such as CDIs) under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Hence, at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting must be in favour of Resolution 5 for it to be passed.

- Equity Securities

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

The Company, as at the date of the Notice of Annual General Meeting, has on issue one class of quoted Equity Securities, namely CDIs.

- Formula for calculating 10% Placement Facility

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:

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

For personal use only

- A** *is the number of shares on issue 12 months before the date of issue or agreement:*
- *plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;*
 - *plus the number of partly paid shares that became fully paid in the 12 months;*
 - *plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;*
 - *less the number of fully paid shares cancelled in the 12 months.*

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D *is 10%*

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 Rule 7.1 or 7.4.*

- Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price ("VWAP") of Equity Securities in the same class calculated over the 15 ASX trading days immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

(Minimum Issue Price).

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- the date of the approval by shareholders of a transaction under Listing Rules 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 the ASX (**10% Placement Period**).

(ii) Listing Rule 7.1 and Listing Rule 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 Annual General Meeting, the Company has on issue 615,250,000 CDIs and therefore has a capacity to issue:

- 92,287,500 Equity Securities under Listing Rule 7.1; and
- subject to Shareholder approval being sought under Resolution 5, 61,525,000 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities, or the agreement date, in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (c)(i) (above)).

(d) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the below information is provided in relation to the approval of the 10% Placement Facility:

(i) Minimum Issue Price

The Equity Securities will be issued at an issue price of not less than Minimum Issue Price detailed in paragraph (c)(i) above.

(ii) Risk of economic and voting dilution

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table.

There is a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- the Equity 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing CDI holders on the basis of the current market price of CDIs and the current number of CDIs for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The table also shows:

For personal use only

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of CDIs the Company has on issue. The number of CDIs on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Shares on issue (Variable 'A' in Listing Rule 7.1A.2)		Dilution		
		\$0.055 50% decrease in Current Issue Price	\$0.110 Current Issue Price	\$0.165 50% increase in Current Issue Price
Current Variable A 615,250,000 CDIs	10% Voting Dilution	61,525,000 CDIs	61,525,000 CDIs	61,525,000 CDIs
	Funds raised	\$3,383,875	\$6,767,750	\$10,151,625
50% increase in current Variable A 922,875,000 CDIs	10% Voting Dilution	92,287,500 CDIs	92,287,500 CDIs	92,287,500 CDIs
	Funds raised	\$5,075,813	\$10,151,625	\$15,227,438
100% increase in current Variable A 1,230,500,000 CDIs	10% Voting Dilution	123,050,000 CDIs	123,050,000 CDIs	123,050,000 CDIs
	Funds raised	\$6,767,750	\$13,535,500	\$20,303,250

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No convertible securities are exercised into Shares or CDIs before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that CDI holder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of CDIs.

- The current issue price is \$0.110, being the closing price of the CDIs on ASX on March 29, 2019.

(iii) Expiry of approval

The Company will only issue and allot the Equity Securities during the 10% Placement Period detailed in paragraph (c)(i) above.

(iv) Purpose of new issues

The Company may seek to issue the Equity Securities for the purposes of improving the Company's financial flexibility to take advantage of future growth opportunities, investment opportunities and to fund its general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. In the event Resolution 5 is approved, when the Company issues Equity Securities pursuant to the 10% Placement Facility, it will give to the ASX:

- a list of allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

(v) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If the Company is successful in acquiring new assets or investments, it may be that the allottees under the 10% Placement Facility will be the vendors of new assets or investments.

(vi) Detail of new issues under Listing Rule 7.1A for previous year

For personal use only

The Company previously obtained approval from its Shareholders / CDI holders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 20 June 2018 ("Previous Approval").

The Company has not issued any Equity Securities pursuant to the Previous Approval. During the 12 month period preceding the date of the Annual General Meeting, being on and from 13 May 2018, the Company has not issued any Shares or CDIs.

(vii) Voting exclusion statement

A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

Resolution 6: General Mandate to Issue and Allot New Shares

Pursuant to Section 141 of the Companies Ordinance, Hong Kong, Cap 622, the Directors cannot issue and allot new shares of the Company without the prior approval of Shareholders. The general mandate granted by Shareholders in General Meeting in respect of the issue and allot new shares may be for any period up until the conclusion of the next Annual General Meeting (or when the next Annual General Meeting is require to be held, whichever the earlier).

Under ASX Listing Rules 7.1, the Company would be able to issue up to 15% of its Share in any 12 month period without Shareholder approval (and a further 10% in the event Resolution 5 is approved) if it were not subject to the Hong Kong Companies Ordinance. To give the Company flexibility for any issue of Shares in the next 12 months (in a manner consistent with the ASX Listing Rules), the Company is seeking approval to issue up to 25% of its Share in the period between the date of this Annual General Meeting and the Company's next Annual General Meeting (or when the next Annual General Meeting is require to be held, whichever the earlier). If the Company wishes to issue more than 25% of its Shares (assuming Resolution 5 is approved), a separate General Meeting will be convened.

This resolution is, however, subject to the ASX Listing Rules and, in particular to:

- (a) ASX Listing Rule 10.11 which restricts the Company from issuing new securities in the Company to a related party without shareholder approval; and
- (b) ASX Listing Rule 10.14 which restricts the Company from issuing new securities in the Company under an employee share plan to a Director or an associate of a Director without shareholder approval.

Resolution 7: General Mandate to Buy Back Shares

Pursuant to Section 239 of the Companies Ordinance, Hong Kong, Cap 622, a general mandate must be given to Directors to buy back shares in the capital of a company.

The resolution contained in Item 8 allows the Directors to buy back shares in the capital of the Company. This resolution is, however, subject to the ASX Listing Rules and, in particular to ASX Listing Rule 7.29 to 7.36 (inclusive) which govern the Company's buy back share.

For personal use only