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**LOVE GROUP GLOBAL LTD**

**ACN 009 027 178**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:00am (AEST)

**DATE:** 30 November 2017

**PLACE:** JM Financial Group Ltd  
Level 8, 140 Bourke Street  
Melbourne, VIC 3000

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9486 4036***

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (AEST) on 30 November 2017 at:

JM Financial Group Ltd  
Level 8, 140 Bourke Street  
Melbourne, VIC 3000

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11:00am (AEST) on 28 November 2017.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting at the time, date and place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
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- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### ***Voting Prohibition***

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1 if the person is either:

- a member of the Key Management Personnel of the Company; or
  - a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

##### Voting Prohibition Statement:

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANTHONY WARWICK HARRIS

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

*“That, Mr Anthony Harris, having been appointed on 6 September 2014 in accordance with Article 19.2(a) of the Company's constitution, and retiring in accordance with Article 19.2(b) of the Company's constitution and being eligible for re-election, be elected as a Director of the Company.”*

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**3. RESOLUTION 3 - ISSUE OF DIRECTOR PERFORMANCE RIGHTS – MR MICHAEL YE**

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

*“That, for the purposes of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of up to 2,000,000 Performance Rights for no consideration to Mr Michael Ye or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:** *The Company will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of Mr Michael Ye (and his associates).*

However, the Company will 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

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**4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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 issue of Equity Securities under this Resolution 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 will 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.

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**DATED: 23 OCTOBER 2017**

**BY ORDER OF THE BOARD**



**MR DANIEL SMITH  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.lovegroup.co/investors.html> or by contacting the Company on (08) 9486 4036.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ended 30 June 2017.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (other than the managing director) who were in office at the date of approval of the applicable directors' report (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### **2.4 Chair voting undirected proxies**

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANTHONY WARWICK HARRIS**

Clause 19.3 of the Constitution provides that:

- (a) Where required by the Corporations Act or Listing Rules to do so, the Company must hold an election of directors each year. If there would otherwise not be a vacancy on the board, and no director is required to retire under rules 19.2(b) or 19.3(b), then the director who has been longest in office since last being elected must retire.
- (b) No director who is not a managing director may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.
- (c) If there is more than one managing director, only one of them, nominated by the directors, is entitled not to be subject to vacation of office under rule 19.2(b) or retirement under rule 19.3.
- (d) The directors to retire under rule 19.3 are those directors or director longest in office since last being elected. As between directors who were elected on the same day the directors to retire are (in default of agreement between them) determined by ballot. The length of time a director has been in office is calculated from the director's last election or appointment.
- (e) The directors to retire under rule 19.3 (both as to number and identity) is decided having regard to the composition of the board of directors at the date of the notice calling the AGM. A director is not required to retire and is not relieved from retiring because of a change in the number or identity of the directors after the date of the notice but before the meeting closes.
- (f) The Company may by resolution at an AGM fill an office vacated by a director under rules 19.2(b) or 19.3 by electing or re-electing an eligible person to that office.
- (g) The retirement of a director from office under this constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occurs.

The Company has three Directors. Accordingly, one Directors must retire.

Mr Anthony Harris, being the Director longest in office since his last election, retires by rotation at this Meeting and, being eligible seeks re-election.

The Board (other than Mr Harris) unanimously supports the re-election of Mr Harris.

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#### **4. RESOLUTION 3 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS – MR MICHAEL YE**

To achieve its corporate objectives, the Company needs to attract and retain key executives and management in a competitive environment.

As announced to the market on 2 August 2017, After engaging with an independent remuneration consultant and an extensive review of remuneration practices for employees and executives, the Company has decided to adopt a mixture of short term incentives (**STI**) and long term incentives (**LTI**). The use of an STI and LTI component is consistent with the Company's objectives for remuneration, which includes providing competitive remuneration packages to attract and retain high calibre senior executives, having a meaningful portion of remuneration "at risk", and importantly, a focus on growing shareholder value.

The grant of Performance Rights encourages Key Executives to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Directors consider that the incentives intended for Mr Michael Ye represented by the grant of these Performance Rights are a cost effective and efficient means for the Company to provide a reward and add incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

##### **4.1 Overview of grant of Performance Rights**

It is proposed that Mr Ye be granted the following maximum number Performance Rights with varying terms, as soon as practicable after the Meeting:

- (a) 666,667 Performance Rights (**Tranche 1 Performance Rights**);
- (b) 666,667 Performance Rights (**Tranche 2 Performance Rights**); and
- (c) 666,666 Performance Rights (**Tranche 3 Performance Rights**).

##### **4.2 Performance Conditions**

Subject to any exchange imposed escrow, the Performance Rights will vest and convert to ordinary shares in the event of the following:

- (a) Class A Performance Rights: 666,667 shares vesting upon achievement of A\$0.40 share price over any 20-day VWAP on or before Jun 30, 2019, escrowed until Jun 30, 2020, and remaining employed at end of FY19;
- (b) Class B Performance Rights: 666,667 shares vesting upon achievement of A\$0.60 share price over any 20-day VWAP on or before Jun 30, 2020, escrowed until Jun 30, 2021, and remaining employed at end of FY20; and
- (c) Class C Performance Rights: 666,667 shares vesting upon achievement of A\$0.80 share price over any 20-day VWAP on or before Jun 30, 2021, escrowed until Jun 30, 2022, and remaining employed at end of FY21.

Notwithstanding the Performance Conditions above, all the Performance Rights will vest automatically if there is a trade sale of all or any part of the business or assets of the Company or if the Company merges with another company or is the subject of a takeover of 50.1% or more.



Subject to achievement of the Performance Conditions one share will be issued for each Performance Right that has vested on the same terms and conditions as the Company's issued shares and will rank equally with all other issued shares from the issue date.

#### **4.3 Related Party Transactions**

The issue of performance rights to a Director constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party unless either:

- (a) prior shareholder approval is obtained and the benefit is given within 15 months after obtaining such approval; or
- (b) the giving of the financial benefit falls within one of the nominated exceptions to the provision.

For the purposes of section 219 of the *Corporations Act*, the following information is provided in relation to the issue of these Performance Rights to Mr Michael Ye, a related party of the Company.

#### **4.4 Nature of the financial benefits**

The financial benefit to be provided to the Director, Mr Ye, is the Performance Rights referred to above.

Mr Ye is not required to make any payment for the grant of the Performance Rights or on the automatic exercise of a vested Performance Right. The maximum number of Performance Rights that could vest, and hence be automatically exercised under Resolutions 3 is a maximum of 2,000,000 Performance Rights.

#### **4.5 Valuation of the financial benefits**

According to AASB 2 paragraph 19, "Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods and services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest."

#### **4.6 Market based vesting conditions**

The Performance Rights will vest into ordinary shares in Love upon the satisfaction of 4.2 above and are predominantly market based vesting conditions. It is noted that if the employee leaves employment for any reason, the Performance Rights will lapse, unless the Board determines otherwise depending on the circumstances of the termination.

#### **4.7 Methodology Adopted**

The initial undiscounted value of the Performance Rights is the value of an underlying share in Love Group as traded on ASX at the date of grant of the Performance Rights. For the purpose of this valuation based on date of the grant being 2 October 2017, the Company commissioned an independent valuation which used 18.0 cents being the latest price of one Love Group share as traded on ASX on 28 September 2017 (last sale to 2 October 2017, 10am, WST).

All of the Performance Rights have a market based vesting condition, in that they cannot vest until a market related condition has been met, being that the Love Group share price has reached a predetermined level for 20 continuous days as noted above. In terms of the A-IFRS Accounting Standard on Share Based payments, where there are market conditions, the fair value of the Performance Rights, a discount is applied to take into account the probability of the Performance Rights not vesting so that ordinary shares may be issued. On the assumption that there was a 100% probability that the vesting condition would be achieved, then no discount would be applied to 2 October 2017 value of a Love Group share trading on ASX. On the assumption that there was a 0% probability that vesting conditions (market based condition only) would be achieved, then a 100% discount would be applied to the 2 October 2017 share price of a Love Group share as traded on ASX.

It is noted that the shares have not traded over 28.0 cents in the past 12 months and from July 2017 to 2 October 2017, the Love Group shares have traded in the 16.0 cent to 24.0 cent range. The Company has assessed the value of the financial benefit proposed to be issued to the Key Executive based on an assessment of the likelihood of the Performance Conditions being met within the specified terms as at the date of this Notice. The Company has attributed a combined value of \$90,000 to the 3 Performance Right class. The value of each class of Performance Right is set out in 4.8, below.

#### 4.8 Conclusion

Set out below is the Company's conclusions as to the value of the Performance Rights:

Item	Resolution 3		
	Tranche 1	Tranche 2	Tranche 3
Underlying Security Price	\$0.18	\$0.18	\$0.18
Exercise Price	Nil	Nil	Nil
Deemed Grant Date	2/10/2017	2/10/2017	2/10/2017
Expiration Date	30/06/2019	30/06/2020	30/06/2021
Vesting Condition – exercisable provided the price of shares on ASX is above the following prices at the time of exercise (in cents)	40.00	60.00	80.00
No. Of times the vesting price is greater than share price as at 28 September 2017	2.222	3.333	4.444
Number of Rights	666,667	666,667	666,666
Valuation per Right	\$0.09	\$0.036	\$0.009
Valuation per Tranche	\$60,000	\$24,000	\$6,000

The relevant interests of Mr Ye in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Performance Shares	Performance Rights
Mr Michael Ye	6,000,000	2,909,090	2,000,000 <sup>1</sup>

<sup>1</sup> These Performance Rights are subject of Resolution 3.

The amounts paid from the Company to Mr Ye and his associates for the previous three financial years are set out below:

Related Party	30 June 2017	30 June 2016	30 June 2015
Mr Michael Ye	\$296,434	\$168,709	Nil

#### 4.9 Directors' interests in the outcome of the Resolution

If Resolution 3 is passed, the Key Executive will become entitled to accept an offer of Performance Rights as set out above together with the rights and entitlements associated with being a holder of such Performance Rights.

None of the other Directors (apart from Mr Ye) have a relevant interest in the outcome of Resolution 3.

If all of the Performance Rights as proposed above vest and are exercised and the Company issues new shares to the Key Executive upon exercise, the effect will be to dilute the shareholding of existing Shareholders up to a maximum of 4.6%. In practice, the Performance Rights can only vest following achievement of the performance conditions set out in 4.2 above.

#### 4.10 Directors' Recommendations

Messrs Harris and Kelson (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3 as they believe the granting of these Performance Rights to Mr Ye will align his rewards with the long-term creation of value for shareholders.

Mr Ye declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular Resolution as it relates to the grant of Performance Rights to him.

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## 5. RESOLUTION 4 - APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

### 5.1 General

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 of up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 5.2 below).

The effect of passing Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting,

without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

## 5.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: DTX).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated as at the date of issue of the Equity Securities according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 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; and
  - (iv) less the number of Shares cancelled in the previous 12 months.

Note that "A" 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 ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement

to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 5.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 7.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A cease to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.088 50% decrease in Issue Price	\$0.175 Current Issue Price	\$0.263 50% increase in Issue Price
41,036,841 (Current)	10% voting dilution	4,103,684	4,103,684	4,103,684
		Shares	Shares	Shares
	Funds raised	\$359,072	\$718,145	\$1,077,217
61,555,261 (50% increase)	10% voting dilution	6,155,526	6,155,526	6,155,526
		Shares	Shares	Shares
	Funds raised	\$538,609	\$1,077,217	\$1,615,826
82,073,682 (100% increase)	10% voting dilution	8,207,368	8,207,368	8,207,368
		Shares	Shares	Shares
	Funds raised	\$718,145	\$1,436,289	\$2,154,434

\*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. The current shares on issue are the Shares on issue as at 9 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 9 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. 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%.
8. 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 Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised towards the ongoing costs associated with its online and offline matchmaking services; or
- (ii) as non-cash consideration for the acquisition of new projects or otherwise as consideration for services rendered by non-related third parties to the Company, where it is considered appropriate by the board to do so. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company has previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A.

During the 12-month period preceding 30 November 2017, being the date of this Meeting, the Company otherwise issued a total of 9,975,295 Shares which represent 32.11% of the total number of Equity Securities on issue at 8 November 2016.

Information relating to issues of Equity Securities by the Company in the 12 months prior to 15 November 2017 is as follows:

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price <sup>1</sup> on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
5/12/2016	5,175,295	Note 1	Various	\$0.34 per share	Cash: \$1,759,600 (before costs) To accelerate revenue growth and expansion of the company's product portfolio across Southeast Asia and Greater China.
20/12/2016	700,000	Note 1	Vendors of Noonswoon Co. Ltd	N/A -	Non-cash: Issued as consideration for the acquisition of Noonswoon Co. Ltd
30/06/2017	100,000 400,000	Note 1 Note 2	Ms Wendy Hui	N/A - Shares and Performance Rights issued to an employee under the Employee Incentive Plan	Non-cash: Issued to an employee
24/07/2017	4,000,000	Note 1	Performance Share Conversions	N/A – conversion of performance shares into ordinary shares.	Non-cash:

#### Notes:

1. Fully paid ordinary shares in the capital of the Company, ASX Code: LVE (terms are set out in the Constitution).

The Company's cash balance on 26 November 2016 was approximately \$2,070,000. Cash raised from issues in the previous 12 months totals \$1,759,600. The Company's cash balance at the date of this Notice is approximately \$1,350,000.

#### (g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give ASX:

- (i) A list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) The information required by Listing Rule 3.10.5A for release to the market.

#### **5.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.



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**6. ENQUIRIES**

Shareholders are required to contact the Company Secretary, Mr Matthew Foy, on (+61 8) 9486 4036 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given to that term in section 5.1 of the Explanatory Statement.

**AEST** means Australian Eastern Standard Time as observed in Queensland all year.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

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

**ASX** means ASX Limited.

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

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the Chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Love Group Global Ltd (ACN 009 027 178).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

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

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the Remuneration Report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2017.

**Resolutions** means the resolutions set out in this Notice, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**Variable A** means "A" as set out in the calculation in section 5.2 of the Explanatory Statement.

**PROXY FORM**

**APPOINTMENT OF PROXY  
LOVE GROUP GLOBAL LTD  
ACN 009 027 178**

**ANNUAL GENERAL MEETING**

I/We

of

being a member of Love Group Global Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given the Chairman intends to vote in favour of each item of business, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11:00am (AEST), on 30 November 2017 at the office of JM Financial Pty Ltd, Level 8, 140 Bourke Street Melbourne, VIC 3000 Australia and at any adjournment thereof.

**Voting on Business of the Annual General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Anthony Harris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Performance Rights – Michael Ye	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of 10% Placement Capacity – Shares	<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 to 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):** \_\_\_\_\_

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

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Love Group Global Limited, PO Box 510, Subiaco WA 6904; or
  - (b) facsimile to the Company on facsimile number (+61 8) 9486 4799,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**