

**CAQ Holdings Limited
ACN 091 687 740**

Notice of Annual General Meeting

**Annual General Meeting to be held at Price Sierakowski
Corporate, Level 24, 44 St Georges Terrace, Perth,
Western Australia on Wednesday, 30 May 2018,
commencing at 2:30 pm (WST).**

IMPORTANT

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

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of CAQ Holdings Limited (“the Company”) will be held at Price Sierakowski Corporate, Level 24, 44 Georges Terrace, Perth, Western Australia on Wednesday, 30 May 2018, commencing at 2:30 pm (WST).

Special Business

1. Item 1 - Annual Report for year ended 31 December 2017

To receive and consider the Annual Report of the Company for the year ended 31 December 2017 which includes the Financial Report of the Company, the Director’s Report, the Remuneration Report and the Auditor’s Report.

2. 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 purposes 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 31 December 2017.”

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

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by, or on behalf of, a member of the Company’s Key Management Personnel (KMP), details of whose remuneration are included in the Remuneration Report for the year ended 31 December 2017 or a closely related party of a KMP whether the votes are cast as a shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote if:

- (a) 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
- (b) It is cast by the Chairman 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.

3. Resolution 2 – Re-election of Ivan Cheng

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

“That Mr Ivan Cheng, who was appointed as a Director by the Board on 27 November 2017 and in accordance with clause 11.4.2 of the Constitution holds office until this Annual General Meeting, and who is eligible, offers himself for re-election, is re-elected as a Director.”

4. Resolution 3 – Re-election of Kwan Chan

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

“That Mr Kwan Chan, who was appointed as a Director by the Board on 27 November 2017 and in accordance with clause 11.4.2 of the Constitution holds office until this Annual General Meeting, and who is eligible, offers himself for re-election, is re-elected as a Director.”

5. Resolution 4 – Re-election of Yuk Cheung Chan

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

“That Mr Yuk Cheung Chan, who was appointed as a Director by the Board on 27 November 2017 and in accordance with clause 11.4.2 of the Constitution holds office until this Annual General Meeting, and who is eligible, offers himself for re-election, is re-elected as a Director.”

6. Resolution 5 – Re-election of Qian Xu

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

“That, Mr Qian Xu, who retires by rotation in accordance with clause 11.1.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes and who is eligible and offers himself for re-election, be re-elected as a Director.”

7. Resolution 6 – Re-election of Ching Chung

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

“That, Mr Ching Chung, who retires by rotation in accordance with clause 11.1.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes and who is eligible and offers himself for re-election, be re-elected as a Director.”

8. Resolution 7 – Ratification of Prior Issues of Shares

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 62,853,551 Shares to Sophisticated Investors on 29 August 2017 as described in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by any person who participated in the placement or any associate of those persons.

However, the Company will not disregard a vote if:

- (a) 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
- (b) It is cast by the Chairman as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 8 – Approval of 10% Placement Facility

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

“That, for the purposes 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 of the issued capital, 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 Statement: The Company will disregard any votes cast in favour of Resolution 8 by a person (or any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit (or any associates of such a person), except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) 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
- (b) It is cast by the Chairman as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this notice of Annual General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorizing him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on Monday, 28 May 2018. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

By Order of the Board of Directors



Michael Siu
Director
CAQ Holdings Limited
16 April 2018

Explanatory Statement

1. Annual Report for the year ended 31 December 2017

The Corporations Act requires the Annual Report of the Company for the year ended 31 December 2017, which includes the Financial Report of the Company, the Directors' Report, the Remuneration Report and the Auditor's Report, to be laid before the Annual General Meeting. The financial statements and reports are contained in the Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

2. RESOLUTION 1 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3) of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind 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 Report.

If at least 25% of the votes on this Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2019 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting ("**Spill Meeting**") within 90 days of the Company's 2018 annual general meeting. All of the Directors (other than the Managing Director, 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 is approved will be the directors of the Company.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

3. RESOLUTION 2 – Re-election of Ivan Cheng

In accordance with clause 11.4.2 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board must retire from office at, and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

3. RESOLUTION 2 – Re-election of Ivan Cheng (continued)

Information in respect of Mr Cheng is set out below:

Mr Cheng has extensive experience in accounting, financial management and company secretarial roles. Mr Cheng is the Company Secretary, Chief Financial Officer and an Executive Director of Beijing Properties (Holdings) Limited (SEHK stock code: 925). In addition to this, Mr Cheng is also the Director of both China Logistics Infrastructures (Holdings) Limited and China Industrial Properties (Holdings) Limited.

Mr Cheng has a Bachelor's degree in Commerce (majoring in Accounting and Finance) from Curtin University, a Masters of Business Administration from the University of South Australia and a Masters of Corporate Governance from the Hong Kong Polytechnic University.

Mr Cheng is also a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of CPA Australia, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Institute of Chartered Secretaries and Administrators.

4. RESOLUTION 3 – Re-election of Kwan Chan

In accordance with clause 11.4.2 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board must retire from office at and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

Information in respect of Mr Chan is set out below:

Mr Kwan Chan has extensive experience in asset management and commercial acquisitions. In September 2016, Mr Chan received his Diamond Graduate Diploma from the Gemological Institute of America, which brings unique knowledge to the Board. Mr Chan also has a Bachelor's degree in Law from the University of Leicester and a Bachelor's degree in Biomedical Sciences from the University of Essex.

5. RESOLUTION 4 – Re-election of Yuk Cheung Chan

In accordance with clause 11.4.2 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board must retire from office at and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

Information in respect of Mr Chan is set out below:

Mr Yuk Cheung Chan has extensive experience in management and corporate affairs. Mr Chan is the President of the International Friends of the Chamber of Commerce, Chairman of the Belt and Road ASEAN Financial Development Committee of China and Chairman of the Sino-Cambodian Phnom Penh Economic Zone Management Committee. Mr Chan was also a former Director of Beijing Properties (Holdings) Limited (SEHK stock code: 925).

6. RESOLUTION 5 – Re-election of Qian Xu

In accordance with clause 11.1.3 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Qian retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Information in respect of Mr Qian is set out below:

Mr Qian has extensive experience in mergers and acquisitions, corporate restructuring and financial management in Asia. Mr Qian is an Executive Director and Chairman of Beijing Properties (Holdings) Limited (SEHK stock code: 925), and a Director and Chairman of the Beijing Enterprises Group Real-Estate Co. Ltd. Mr Qian is also an Executive Director of both MillenMin Ventures Inc. (TSX stock code: MVM) and Beijing Enterprises Medical and Health Industry Group Limited (SEHK stock code: 2389). In addition to this, Mr Qian is a Director of Brilliant Bright Holdings Limited, who is a controlling shareholder of Beijing Properties (Holdings) Limited.

Mr Qian has a Bachelor's degree in Economics from the Economics and Management Faculty of the Beijing Industrial University and has an Executive Master of Business Administration degree from Tsinghua University.

7. RESOLUTION 6 – Re-election of Ching Chung

In accordance with clause 11.1.3 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Ching retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Information in respect of Mr Ching is set out below:

Mr Ching has over 30 years of experience investing, operating and managing companies in Hong Kong and China. The industries which he has been involved with include gambling, mining and property development. Mr Ching has established relationships with the China Government and various other Chinese associations.

8. RESOLUTION 7 – Ratification of Prior Issues of Shares

On 29 August 2017, the Company announced that it had completed a placement raising US\$10,000,000 (equivalent to AUD\$12,570,710.25) through the issue of 62,853,551 Shares at \$0.20 per share ("August Placement"). Shareholder approval is sought to ratify the 62,853,551 Shares previously issued under the August Placement.

Listing Rule 7.4

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

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

Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 7 for the purposes of Listing Rule 7.4:

- (a) A total of 62,853,551 Shares were issued.
- (b) The Shares had an issue price of \$0.20 per Share.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Shares under the Placement were issued to a Sophisticated Investor.
- (e) The funds raised will be used to settle outstanding loans, for improvements to the Haikou Project and to provide additional working capital for the Company and its wholly owned subsidiary, Haikou Peace Base Industry Development Co. Ltd.

9. RESOLUTION 8 – Approval of 10% Placement Facility

9.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12-month period after the entity's 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.

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. The Company is an eligible entity.

9. RESOLUTION 8 – Approval of 10% Placement Facility (continued)

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

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.

9.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) 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.

As at the date of the Notice, the Company has the following Equity Securities on issue:

- 717,786,281 Shares.

(c) 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:

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

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) 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;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning as 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.

9. RESOLUTION 8 – Approval of 10% Placement Facility (continued)

9.2 Description of Listing Rule 7.1A (continued)

(d) 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.

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 in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to section (c) above).

(e) 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 of Equity Securities in the same class calculated over the 15 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 trading days of the date in section i, the date on which the Equity Securities are issued.

(f) 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:

- i. the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- ii. 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 ASX (**10% Placement Period**).

9.3 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility:

1. The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities in the same class calculated over the 15 trading days immediately before:
 - a. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - b. if the Equity Securities are not issued within 5 trading days of the date in Section 6.3 (1)(a), the date on which the Equity Securities are issued.

9. RESOLUTION 8 – Approval of 10% Placement Facility (continued)

9.3 Specific information required by Listing Rule 7.3A (continued)

2. If Resolution 8 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 table below. There is a risk that:
 - a. 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
 - b. 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 Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- i. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities 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 future meetings of Shareholders; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.025 50% decrease in market price	\$0.05 current market price	\$0.10 100% increase in market price
Current variable "A" 717,786,281	10% voting dilution	71,778,628 Shares	71,778,628 Shares	71,778,628 Shares
	Funds raised	\$1,794,466	\$3,588,931	\$7,177,863
50% increase in current variable "A" 1,076,679,422	10% voting dilution	107,667,942 Shares	107,667,942 Shares	107,667,942 Shares
	Funds raised	\$2,691,699	\$5,383,397	\$10,766,794
100% increase in current variable "A" 1,435,572,562	10% voting dilution	143,557,256 Shares	143,557,256 Shares	143,557,256 Shares
	Funds raised	\$3,588,931	\$7,177,863	\$14,355,726

9. RESOLUTION 8 – Approval of 10% Placement Facility (continued)

9.3 Specific information required by Listing Rule 7.3A (continued)

The table on page 11 has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 2. 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%.
 3. 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 Shareholder's holding at the date of the Annual General Meeting.
 4. 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.
 5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 6. The issue price is \$0.05, being the closing price of the Shares on ASX on 13 April 2018.
3. The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a further transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
 4. The Company may seek to issue the Equity Securities under the 10% Placement Facility.

The Company may also issue Equity Securities for non-cash consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release on valuation of the non-cash consideration that demonstrates that the deemed issue price of the Equity Securities complies with Listing Rule 7.1A.3.

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

5. 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 persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to factors which include the following:
 - a. the purpose of the issue;
 - b. the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
 - c. the effect of the issue of the Equity Securities on the control of the Company;
 - d. the financial situation and solvency of the Company;
 - e. prevailing market conditions; and
 - f. advice from corporate, financial and broking advisers (if applicable).

9. RESOLUTION 8 – Approval of 10% Placement Facility (continued)

9.3 Specific information required by Listing Rule 7.3A (continued)

The persons issued securities under the 10% Placement Facility have not been determined as at the date of the Notice but are likely to be Exempt Investors.

If the Company is successful in acquiring new resource assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new resource assets or investments.

6. Details of Equity Securities issued in the 12 months preceding this Meeting are as follows:

7.3A.6	Item	Details
(a)	A. Total number of Equity Securities <u>issued</u> in the 12 months preceding the date of Meeting	62,853,551
	B. Total number of Equity Securities on issue at start of 12 month period	654,932,730
	Percentage issued in the last 12 months (= A/B)	9.59%

7.3A.6 (b)	Details of each issue	
Date of issue	(i)	Shares issued under a Sophisticated Placement – 29 August 2017.
Number issued	(i)	62,853,551.
Class of Security	(i)	Fully paid ordinary shares.
Persons who received securities	(i)	Sophisticated Investor.
Price (per Share)	(i)	\$0.20.
Discount to market	(i)	Not applicable. Shares were issued at a premium of 81.82%.
Non cash consideration	(i)	Not applicable
Current value of non-cash consideration	(i)	Not applicable.
Total cash consideration	(i)	US\$10,000,000 (equivalent to AUD\$12,570,710.25).
Amount of cash spent	(i)	Nil.
Use of cash	(i)	As per item 8 of this Notice of Meeting.

7. A voting exclusion statement is included in the Notice.

10. DIRECTORS' RECOMMENDATIONS

The Directors unanimously recommend that Shareholders vote in favour of all Resolutions, other than to the extent that a Director abstains from expressing an opinion or making a recommendation in the relevant Resolutions due to having a material personal interest in the Resolutions.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Associate	has the meaning set out in sections 11 to 17 of the Corporations Act, as applicable and as applied in accordance with the note to Listing Rule 14.11.
ASX	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.
Board	board of Directors.
Business Day	a day that is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.
Chairman	Paul Price.
Closely Related Party	means a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependant of that member or of that member's spouse;(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;(e) a company that is controlled by that member; or(f) any other person prescribed by the regulations.
Company	CAQ Holdings Limited (ACN 091 687 740).
Constitution	Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	director of the Company.
Explanatory Statement	this Explanatory Statement accompanying the Notice of Meeting.
Key Management Personnel	means the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being 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).

Glossary (continued)

Listing Rules	the official listing rules of the ASX as amended from time to time.
Notice of Meeting	the notice convening the Annual General Meeting which accompanies this Explanatory Statement.
Related Party	the meaning give to that term in the Corporations Act.
Resolutions	the resolutions set out in the Notice of Meeting.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	shareholder of the Company.
Voting Power	the meaning given to that term in the Corporations Act.
WST	Western Standard Time in Australia.

CAQ Holdings Limited
ACN 091 687 740
Proxy Form

I/We

of

being a member of CAQ Holdings Limited ACN 091 687 740 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

☐

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 2.30pm (WST) on Wednesday, 30 May 2018 at the offices of Price Sierakowski Corporate of Level 24, 44 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the meeting (to extent permitted by law) to exercise my/our proxy in respect of Resolution 1 even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel of CAQ Holdings Limited, which includes the Chairman of the Meeting. If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the boxes in the section.

The Chairman intends to vote all available proxies in favour of Resolutions 1 to 8

I/We acknowledge that the Chairman intends to vote undirected proxies in favour of each Resolution, to the extent permitted by law.

OR

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report – December 2017 Annual Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Ivan Cheng as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Kwan Chan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Yuk Cheung Chan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Qian Xu as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Re-election of Ching Chung as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issues of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution 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 a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4 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 please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5 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, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share 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.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6 Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting ie. no later than 2.30pm (WST) on Monday, 28 May 2018. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 24, 44 St Georges Terrace, Perth WA 6000 or sent by facsimile to the registered office on (08) 9218 8875.