

# **MOV CORPORATION LIMITED**

ACN 090 865 357

## **NOTICE OF GENERAL MEETING and EXPLANATORY MEMORANDUM**

### **PROXY FORM**

**Date of Meeting – 2 November 2015**

**Time of Meeting – 10.00am**

#### **Place of Meeting**

**Level 21, 20 Bond Street  
SYDNEY NSW 2000**

**This is an important document. Please read it carefully.  
*If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on the Proxy Form.***

# INDEX

	<b>Page No.</b>
NOTICE OF GENERAL MEETING.....	1
AGENDA.....	1
1. Introduction.....	5
2. PURPOSE OF THE MEETING.....	5
3. Background to the Company.....	6
4. The Proposed Acquisition.....	9
5. Business Overview OF BLH.....	16
6. Reasons for the Resolutions.....	21
7. The Directors' Recommendation.....	22
8. Additional Information.....	24
9. New directors.....	25
10. The Deeds of Access, Insurance And Indemnity.....	27
11. The Change of Name.....	27
12. Adoption of REPLACEMENT Constitution.....	28
13. Glossary.....	28
ANNEXURE A.....	30
Summary of Sale and Purchase Agreement.....	30
ANNEXURE B.....	31
Corporate Governance Statement.....	31
Annexure C.....	39
Summary of Put & Call Option Agreement.....	39
Annexure D.....	42
Summary of Proposed Constitution.....	42

**MOV CORPORATION LIMITED**

**ACN 090 865 357**

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of MOV Corporation Limited (the "Company") will be held on 2 November 2015 at 10.00am am at Level 21, 20 Bond Street, Sydney NSW 2000

**AGENDA**

**BUSINESS**

**1. Resolution 1 – Change to Nature and Scale of Business**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 11.1.2 of the Listing Rules of ASX Limited and for all other purposes, Shareholders approve a change in the nature and scale of the Company's activities as more fully described in Sections 4 and 5 of the Explanatory Memorandum accompanying this Notice."*

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

**2. Resolution 2 – Approval to Issue Shares for Public Offering**

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

*"That, for the purpose of Listing Rule 7.1 of the Listing Rules of ASX Limited, and for all other purposes, approval is given for the Company to issue up to 10,000,000 Shares pursuant to the Public Offering on the terms and conditions outlined in Section 8.1 of the Explanatory Memorandum."*

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

**3. Resolution 3 – Issue of Shares to the Vendors**

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

*“That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes approval is given for the Company to issue in aggregate 330,500,001 Shares to the parties set out in Section 8.2 of the Explanatory Memorandum.”*

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

**4. Resolution 4 – Issue of Shares to Investor Group**

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

*“That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes approval is given for the Company to issue in aggregate 25,000,000 Shares to the parties set out in Section 8.3 of the Explanatory Memorandum.”*

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

**5. Resolution 5 – Election for Mr Choon Keng Kho as a Director**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*“That, subject to and upon completion of the Acquisition described in the Explanatory Memorandum accompanying this Notice, Mr Choon Keng Kho be and he is hereby elected a Director of the Company”*

**6. Resolution 6 – Election for Mr Patrick Chuan Thye Kho as a Director**

To consider and, if thought fit, to pass the following Resolution as an **ordinary**

**resolution:**

*“That, subject to and upon completion of the Acquisition described in the Explanatory Memorandum accompanying this Notice, Chuan Thye Kho be and he is hereby elected a Director of the Company”*

**7. Resolution 7 – Election for Mr Grant Archibald as a Director**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution:**

*“That, subject to and upon completion of the Acquisition described in the Explanatory Memorandum accompanying this Notice, Mr Grant Archibald be and he is hereby elected a Director of the Company”*

**8. Resolution 8 – Election for Mr Peter Henry Mackinlay as a Director**

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution:**

*“That, subject to and upon completion of the Acquisition described in the Explanatory Memorandum accompanying this Notice, Mr Peter Henry Mackinlay be and he is hereby elected a Director of the Company”*

**9. Resolution 9 – Approval of Deeds of Access, Insurance and Indemnity**

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

*“That, as required by Section 195 of the Corporations Act and for all other purposes, approval is given for the Company to enter into Deeds of Access, Insurance and Indemnity on the terms and conditions outlined in the Explanatory Memorandum.”*

**10. Resolution 10 – Change of Name to Land & Homes Group Limited**

To consider and, if thought fit, to pass, the following Resolution as a **special resolution:**

*“That, for the purposes of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Land & Homes Group Limited” and the Constitution and all other Company records be amended accordingly.”*

**11. Resolution 11 – Adoption of New Constitution**

To consider and, if thought fit, to pass, the following Resolution as a **special resolution:**

*“That the Company’s Constitution be replaced with a Constitution in the form tabled at the meeting and summarised in the Explanatory Memorandum accompanying this Notice, with immediate effect on the passing of this Resolution.”*

## Voting

As ordinary resolutions, resolutions 1 to 9 must be passed by more than 50 per cent of the votes cast by members entitled to vote on each of the resolutions.

Resolutions 10 and 11 must be passed by more than 75% of the votes cast by members entitled to vote on the resolution.

In accordance with Section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is 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. If no proportion or number is specified, then in accordance with Section 249X(3) of the Corporations Act 2001, each proxy may exercise one half of the votes.

In accordance with Section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Principal Place of Business	MOV Corporation Limited Level 5, 307 Queen Street Brisbane QLD 4000
Facsimile Number:	+ 61 2 8298 9599
Postal Address	MOV Corporation Limited c/- Security Transfer Registrars' P O Box 155, Applecross WA 6953 AUSTRALIA

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.37 of the Corporations Act 2001 (Cth), the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 7.00pm Sydney time on 29 October 2015.

By order of the Board



Elizabeth Hunt

Company Secretary

Dated: 18 September 2015

**MOV CORPORATION LIMITED**  
**ACN 090 865 357**  
**EXPLANATORY MEMORANDUM**

**1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of shareholders of MOV Corporation Limited (the “**Buyer**”, “**Company**” or “**MOV**”) in connection with the business to be conducted at the General Meeting to be held on 2 November 2015 at 10.00 am at Level 21, 20 Bond Street, Sydney NSW 2000

This Explanatory Memorandum contains an explanation of, and information about, the resolutions to be considered at the General Meeting. It is given to MOV’s shareholders to help them determine how to vote on the matters set out in the accompanying Notice of Meeting.

Shareholders should read this Explanatory Memorandum in full, because individual Sections may not give a comprehensive review of the proposal contemplated in this Explanatory Memorandum. This Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary.

**If you are in doubt about what to do in relation to the proposal, you should consult your financial or other professional advisor.**

This Explanatory Memorandum is dated 18 September 2015.

**2. PURPOSE OF THE MEETING**

The purpose of the meeting is to pass a number of resolutions which are necessary to permit the Company to change the nature and scale of its business, to raise additional capital and seek re quotation of the Company’s Shares on ASX.

**Resolution 1** approves a change in the nature and scale of the Company’s business.

**Resolution 2** authorises the issue of the Shares under the Public Offering.

**Resolution 3** authorises the Company to issue Shares as consideration for the purchase of Brisbane Land Holdings Pty Limited.

**Resolution 4** approves the issue of Shares to raise an initial \$500,000 to cover recompliance costs and working capital.

**Resolutions 5 to 8** are for the election of additional Directors to the Board of the Company.

**Resolution 9** approves Deeds of Access, Insurance and Indemnity for the Directors.

**Resolution 10** is to change the Company's name to Land & Homes Group Limited.

**Resolution 11** is to adopt a new Constitution for the Company.

### **3. BACKGROUND TO THE COMPANY**

The Company's Shares are listed on ASX. However, the Company was placed into voluntary administration on 31 May 2011 at which time the Company's Shares were suspended from quotation, and have not traded on ASX since. Prior to going into voluntary administration, the Company carried on business as a printer and acting as a print and stationery broker.

The Company was recapitalised on 10 February 2012 under a Deed of Company Arrangement at which time the administration ceased. The Company subsequently pursued several proposals to acquire assets but these did not proceed.

In December 2014 the Company was again recapitalised following shareholder approval to the issue of 500,000,000 Shares to entities controlled by Mr C K Kho and Mr Patrick Kho representing 97.87% of the Company's diluted issued capital (see their details in Section 9).

At the same time, the Board was reconstituted and now comprises the following:

#### **Ms Kwee Jee Lee – Non-Executive Chair**

Ms Kwee Jee Lee is an independent director who has extensive experience in both the public and private sector. She spent about 20 years in the public sector formulating and overseeing policies in the Ministries of Finance, Defence and the Environment of the Government of Singapore. Her scope of work included finance and budgetary control, personnel and human resource allocation, public relations and international relations.

Ms Lee also spent another 20 plus years in the private sector, working in manufacturing, electronic and technology companies, including Electronic Component of General Electric (USA), TDB Holdings Pte Ltd, ST Aerospace Pte Ltd, and Singapore Technologies Pte Ltd. She held key positions in these companies, mostly specialised in human resources and building up of strategic relationships for these companies, both locally and internationally, to expand and promote their operations and businesses.

Ms Lee was the SVP (Strategic Relations and Corporation Communications) of Singapore Technology Telemedia Pte Ltd where she spent a little over 9 years building and strengthening external relationships with the media, the public and international partners.

Ms Lee obtained her B Sc (Hons) and MSc from the University of Singapore and attended an Executed Development Programme in INSEAD, Fontainebleau.

Ms Lee is a Non-Executive Director with LionHub Group Limited, an



ASX listed company.

**Mr Kim Huat Koh – Non-Executive Director**

Mr Kim Huat Koh is an independent director who has extensive experience as a member on the boards of many private and publicly listed companies, including Singapore and/or Hong Kong listed Rowsley Ltd, UPP Holdings Ltd, Eagle Brand Holdings Ltd and Hong Kong Fortune Ltd. He was Executive Director of Hong Kong Fortune Ltd in 1994 and retired in May 2013 as Executive Chairman of UPP Ltd.

Mr Koh also has intimate knowledge of China and of property development. He was Head of Singapore's diplomatic missions in Shanghai from 1991 till 1994. He then went on to head up the property businesses for Chia Tai Group in China. Chia Tai was then one of the largest foreign investors in China. Its property investments include the commercial downtown of Pudong, Shanghai and other cities. Prior to his retirement last year, he was also a director of Vantage Bay, a company involved in property development in Iskandar Johor.

Mr Koh was a Singapore Government scholar. He graduated from National University of Singapore in Bachelor of Engineering (civil), 2<sup>nd</sup> Upper Honors. He spent many years serving Singapore government in different departments. They included administrative service of Singapore Government, its diplomatic mission in Shanghai and Government of Singapore Investment Corporation (GIC).

Mr Koh is a Non-Executive Director with LionHub Group Limited, an ASX listed company.

**Mr Charles Chow Cher Lim – Non-Executive Director**

Charles Lim has over 20 years of experience in Finance and Management. He was formerly a Chief Financial Officer and Executive Director of a public company in Singapore that has investments in property, publishing and manufacturing of consumer products, in various countries including Australia, UK, France, and several south east Asian countries. In that capacity, he had executed several cross-boarder M&A and other corporate finance transactions.

He started his career in corporate banking with an American bank in Singapore. Charles has also been stationed in various countries including China, Hong Kong and Thailand in banking, securities and other industries. He holds a B.A. Hons (Economics & Finance) degree from the University of California, Los Angeles.

Mr Lim is not an independent director.

**Ms Siew Goh – Non-Executive Director**

Ms Siew Goh has extensive experience working in regional corporate environment. She has a diverse range of industry skills and experience in the areas of international corporate events

management, marketing communication and strategic relations.

Ms Goh was an Associate director in a Singapore based investment company, Temasek Holdings Limited (one of the biggest sovereign fund managers in the world) and has also spent several years working in Temasek's subsidiaries, Temasek Management Services Pty Ltd and Singapore Technologies Pte Ltd. Siew led a team to plan, organise and manage high profile events in Singapore, Asia and Europe for diplomats and senior regional corporate leaders.

Ms Goh is the Head of Operations of LionHub Group Limited, an ASX listed company.

Ms Goh is not an independent director.

The Company intends seeking re quotation of its Shares on ASX. To do so, the Company will be required to re-comply with Chapters 1 and 2 of ASX Listing Rules. This will require that the Company, amongst other things, issues a Prospectus, has a minimum spread of shareholders and is able to demonstrate that it meets certain financial requirements.

The Company has entered into a Subscription Agreement, subject to shareholder approval, with the parties described in section 8.3 to raise the sum of A\$500,000 by issuing 25,000,000 Shares at A\$0.02 each. The proceeds of such issue will be used to fund recompliance expenses and to provide MOV with working capital.

Further, prior to the re quotation of its Shares on ASX, the Company intends raising between A\$1.5 million and A\$2 million by way of a Public Offering of Shares. The funds raised will be used towards the cost of the Offer and providing the Company with working capital.

If the Public Offering does not raise the minimum amount of A\$1 million, and the Company is unable to comply with the requirements of Chapters 1 and 2 of the Listing Rules for this reason or for any other reason, re quotation of the Company's Shares on ASX will not occur, and the Acquisition will not proceed.

The following is an indicative timetable for the Public Offering:

<b>Date</b>	<b>Description</b>
2 November 2015	Shareholders' Meeting held
2 November 2015	Prospectus for Public Offering lodged with ASIC
10 November 2015	Public Offering opens
21 November 2015	Public Offering closes
11 December 2015	New Shares allotted
16 December 2015	Holding Statements dispatched
18 December 2015	Normal trading commences on ASX

The Company has established a corporate governance framework, the key

features of which are outlined in the Corporate Governance Statement in Annexure B. In establishing its corporate governance framework, the Company has referred to the 3rd edition of the Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council (Principles and Recommendations). The Company's compliance with and departures from the recommendations are also set out in Annexure B.

The Company's Board intends that, subject to Shareholder approval, the Company will engage in property development in South Eastern Queensland initially, with the intention of expanding its activities nationally over time.

The Board intends capitalising on the Asian business experience of the current and proposed directors to undertake projects that will appeal to Asian as well as domestic property buyers.

As a first step the Company, subject to Shareholder approval, proposes acquiring all of the issued capital in Brisbane Land Holdings Pty Ltd ("**BLH**").

#### **4. THE PROPOSED ACQUISITION**

Between 28 July 2015 and 31 August 2015 the Company entered into conditional Sale and Purchase Agreements to acquire 287,500,001 shares in Brisbane Land Holdings Pty Ltd. BLH will issue a further 43,000,000 shares to an investor or investors on condition that such investor or investors enter into Conditional Sale and Purchase Agreements on the same terms.

Except for one ordinary share issued to Fanny Seah as lead investor in BLH, such shares are or will be non-voting Convertible Redeemable Preference issued for \$0.02 each, which convert into ordinary shares in BLH on receipt by MOV of conditional approval to the re quotation of its Shares on ASX.

BLH was established in June 2015 to develop quality medium to high density residential apartments in South East Queensland. It has entered into a Put and Call Option Agreement to acquire a 2433sqm property at 207 Wharf Street, Spring Hill in Brisbane. It intends redeveloping the property as a multi storey residential development with a minimum of 20 levels (250 apartments) and possibly 30 levels (370 apartments) depending on final planning approval by Brisbane City Council. BLH's business is described in greater detail in Section 5 of this Explanatory Memorandum.

No Vendor is or will be associated with any other Vendor and each Vendor is and will be unrelated to the Company.

The consideration to be provided by the Company to the Vendors will comprise one ordinary share in the Company for each one share in BLH.

BLH will have 330,500,001 shares on issue. On exchange of these shares for shares in MOV and on completion of the Public Offering, the Vendors will hold in aggregate 37.82% of MOV's diluted capital after completion of the Transaction and the Public Offering (assuming that the minimum amount of \$1.5 million is raised). Of these the largest shareholder, San Teh

Xing Investment Pte Ltd will hold 17.16%. The entities controlled by Mr C K Kho and Mr Patrick Kho will have their interests diluted from 97.87% to 57.21%. Such entities will continue to hold a controlling shareholding in the Company.

The Agreement is subject to a number of conditions precedent, including completion of due diligence, shareholder approval and re quotation of the Company's securities on ASX.

A summary of the Sale and Purchase Agreement is attached as Annexure A to this Explanatory Memorandum.

### Summary of Shares as a result of the Proposed Transaction

	Minimum	Maximum
Existing shares	510,886,186	510,886,186
Vendor shares	330,500,001	330,500,001
Shares issued to fund recompliance costs and working capital	25,000,000	25,000,000
<b>Total</b>	<b>866,386,187</b>	<b>866,386,187</b>
Public offer	7,500,000	10,000,000
<b>Total shares of issue after Capital Raising</b>	<b>873,886,187</b>	<b>876,386,187</b>

### Financial information

Set out below is a summary of the Company's pro forma historical financial position as at 31 August 2015.

The financial information should be read in conjunction with the risk factors in Section 7 and other information contained in this Notice of Meeting. The pro forma adjustments to historical results are set out in part (d) below.

#### (a) Pro forma historical financial information

The historical financial information of the Company included in this Notice of Meeting is presented on a pro forma basis and comprises:

- The audited summary historical balance sheet of MOV as at 30 June 2015;
  - The unaudited summary historical balance sheet of MOV as at 31 August 2015;
  - The unaudited summary historical balance sheet of BLH as at 31 August 2015;
- and

- The pro forma balance sheets of MOV as at 31 August 2015 assuming the pro forma transactions set out in section 1.4 had occurred at that date.

A completed review of the pro forma balance sheet for MOV has not been received as of the date of this Notice. This information will be included in the Prospectus for MOV.

**(b) Basis of preparation of historical financial information**

The financial information included in this Notice of Meeting has been prepared in accordance with MOV and BLH's accounting policies.

The financial statements of MOV for the year ended 30 June 2015 were audited by BDO. The audit of the MOV was conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free from material misstatement. The audit opinion issued by BDO to the members of the Company relating to those financial statements were unqualified.

The audit opinion issued on the financial statements for the year ended 30 June 2015 contained an emphasis of matter in relation to the significant uncertainty of the Company continuing as a going concern in the absence of an equity raising – for further information, please refer to the relevant statements in the MOV audited financial statements for the year ended 30 June 2015.

The historical financial information of MOV and BLH as at 31 August is unaudited.

The financial information is presented in an abbreviated form and does not comply with all the presentation and disclosure requirements of Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

**(c) Basis of preparation of pro forma historical financial information**

The pro forma historical financial information included in this Notice of Meeting has been derived from financial information included in the audited and unaudited historical financial statements of MOV for the year ended 30 June 2015 and as at 31 August 2015, respectively, and from the unaudited financial statements of BLH as at 31 August 2015, as adjusted for the pro forma items and/or adjustments described in Section 1.4.

**(d) Pro forma adjustments**

The pro-forma statement of financial position of MOV as at 31 August 2015 has been prepared by aggregating the unaudited financial position of BLH and MOV as at that date to reflect the financial effect of the following transactions, as if they had occurred at 31 August 2015:

- the issue of 25,000,000 ordinary shares in MOV to certain investors at a deemed issue price of 0.02 per share to raise \$500,000 to fund pre IPO working capital. Of this amount, 7,500,000 ordinary shares in MOV had been issued (\$150,000 raised) as at 31 August 2015;
- collection of outstanding subscription amounts for redeemable preference shares in BLH in the sum of \$3,110,000;
- the issue of 330,500,001 ordinary shares in MOV to the BLH vendors at a deemed issue price of \$0.20 per share to acquire all the issued capital of BLH;

- the issue of 7,500,000 ordinary shares at \$0.20 per share to retail and other investors to raise \$1.5 million (minimum case) pursuant to a prospectus and public offer of shares in the Company;
- the issue of 10,000,000 ordinary shares at \$0.20 per share to retail and other investors to raise \$2.0 million (maximum case) pursuant to a prospectus and public offer of shares in the Company;
- exercise of the option held by BLH to acquire the property at Wharf St, Brisbane for the sum of \$21,280,000. The cash outlay for the property acquisition is \$20,166,000, being \$21,280,000 less a deposit of \$1,114,000 paid by BLH;
- payment of stamp duty in relation to the purchase of the Wharf Street property in the sum of \$1,223,600 (being 5.75% of the acquisition price);
- debt raising of \$16,000,000 to facilitate the property acquisition. Debt establishment fees of 0.25% (\$40,000) have been pro forma set off against borrowings and are to be amortised over the period of the loan;
- revaluation of the Wharf St land & buildings to reflect the independent valuation of the property;
- payment of the costs of the BLH acquisition which are estimated to be \$15,000;
- payment of costs of the offer which are estimated to be \$623,166 (minimum) and \$653,166 (maximum). Of this amount, \$34,104 in legal and investigating accountant's fees has been paid at 31 August 2015.

Any costs of the acquisition which are estimated to be directly attributable to the issue of new shares have been set off against pro forma contributed equity. The balance of the costs (assumed to be 50%) have been taken to pro forma retained earnings.

(e) Pro forma balance sheet

MOV Corporation Limited

Pro forma balance sheets as at 31 August 2015

	Notes	MOV 30 June 2015 Audited	MOV 31 August 2015 Management	BLH 31 August 2015 Management	MOV / BLH Aggregated 31 August 2015	Pro forma adjustments Minimum	MOV Pro forma 31 August 2015 Minimum	Pro forma adjustments Maximum	MOV Pro forma 31 August 2015 Maximum
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	2	44,019	343,150	2,312,710	2,655,860	(1,107,766)	1,548,093	(637,766)	2,018,093
Trade and other receivables	3	20,218	789	3,143,981	3,144,769	(3,110,000)	34,769	(3,110,000)	34,769
Other current assets	4	-	-	1,114,000	1,114,000	(1,114,000)	-	(1,114,000)	-
<b>Total current assets</b>		<b>64,237</b>	<b>343,938</b>	<b>6,570,691</b>	<b>6,914,628</b>	<b>(5,331,766)</b>	<b>1,582,862</b>	<b>(4,861,766)</b>	<b>2,052,862</b>
<b>Non-current assets</b>									
Land & buildings	5	-	-	-	-	21,280,000	21,280,000	21,280,000	21,280,000
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,280,000</b>	<b>21,280,000</b>	<b>21,280,000</b>	<b>21,280,000</b>
<b>Total assets</b>		<b>64,237</b>	<b>343,938</b>	<b>6,570,691</b>	<b>6,914,628</b>	<b>15,948,234</b>	<b>22,862,862</b>	<b>16,418,234</b>	<b>23,332,862</b>
<b>Liabilities</b>									
<b>Current liabilities</b>									
Trade & other payables	6	90,630	37,873	362,161	400,034	-	400,034	-	400,034
Other current liabilities	7	-	-	5,156	5,156	-	5,156	-	5,156
<b>Total current liabilities</b>		<b>90,630</b>	<b>37,873</b>	<b>367,317</b>	<b>405,190</b>	<b>-</b>	<b>405,190</b>	<b>-</b>	<b>405,190</b>
<b>Non-current liabilities</b>									
Trade & other payables	8	264,262	526,898	-	526,898	-	526,898	-	526,898
Borrowings	9	-	-	-	-	15,960,000	15,960,000	15,960,000	15,960,000
<b>Total non-current liabilities</b>		<b>264,262</b>	<b>526,898</b>	<b>-</b>	<b>526,898</b>	<b>15,960,000</b>	<b>16,486,898</b>	<b>15,960,000</b>	<b>16,486,898</b>
<b>Total liabilities</b>		<b>354,892</b>	<b>564,771</b>	<b>367,317</b>	<b>932,088</b>	<b>15,960,000</b>	<b>16,892,088</b>	<b>15,960,000</b>	<b>16,892,088</b>
<b>Net assets</b>		<b>(290,655)</b>	<b>(220,833)</b>	<b>6,203,374</b>	<b>5,982,540</b>	<b>(11,766)</b>	<b>5,970,774</b>	<b>458,234</b>	<b>6,440,774</b>
<b>Equity</b>									
Issued capital	10	52,163,223	52,279,120	6,610,001	58,889,120	1,391,757	60,280,877	1,861,757	60,750,877
Retained earnings	11	(52,453,878)	(52,499,953)	(406,627)	(52,906,580)	(1,403,523)	(54,310,104)	(1,403,523)	(54,310,104)
<b>Total equity</b>		<b>(290,655)</b>	<b>(220,833)</b>	<b>6,203,374</b>	<b>5,982,540</b>	<b>(11,766)</b>	<b>5,970,774</b>	<b>458,234</b>	<b>6,440,774</b>

Notes to the MOV pro forma balance sheets as at 31 August 2015

	Minimum	Maximum
<b>2 Cash and cash equivalents</b>		
<b>Aggregated MOV 31 August 2015</b>	<b>2,655,860</b>	<b>2,655,860</b>
<i>Pro forma adjustments</i>		
Pre-IPO capital raising	350,000	350,000
Capital raising IPO	1,500,000	2,000,000
Debt financing (net of establishment fee)	15,960,000	15,960,000
Collection of BLH receivable	3,110,000	3,110,000
Costs of BLH Acquisition	(15,000)	(15,000)
Costs of the Offer	(623,166)	(653,166)
Acquisition of Wharf St property	(20,166,000)	(20,166,000)
Stamp duty	(1,223,600)	(1,223,600)
<b>Total pro forma adjustments</b>	<b>(1,107,766)</b>	<b>(637,766)</b>
<b>Pro forma MOV 31 August 2015</b>	<b>1,548,093</b>	<b>2,018,093</b>
<b>3 Trade and other receivables</b>		
<b>Aggregated MOV 31 August 2015</b>	<b>3,144,769</b>	<b>3,144,769</b>
<i>Pro forma adjustments</i>		
Other receivables - BLH capital at call	(3,110,000)	(3,110,000)
<b>Total pro forma adjustments</b>	<b>(3,110,000)</b>	<b>(3,110,000)</b>
<b>Pro forma MOV 31 August 2015</b>	<b>34,769</b>	<b>34,769</b>
<b>4 Other current assets</b>		
<b>Aggregated MOV 31 August 2015</b>	<b>1,114,000</b>	<b>1,114,000</b>
<i>Pro forma adjustments</i>		
Reversal of deposit on pro forma acquisition	(1,114,000)	(1,114,000)
<b>Total pro forma adjustments</b>	<b>(1,114,000)</b>	<b>(1,114,000)</b>
<b>Pro forma MOV 31 August 2015</b>	<b>-</b>	<b>-</b>
<b>5 Land and buildings</b>		
<b>Aggregated MOV 31 August 2015</b>	<b>-</b>	<b>-</b>
<i>Pro forma adjustments</i>		
Purchase of Wharf Street	21,280,000	21,280,000
Stamp duty	1,223,600	1,223,600
Adjustment to carry at valuation (stamp duty)	(1,223,600)	(1,223,600)
<b>Total pro forma adjustments</b>	<b>21,280,000</b>	<b>21,280,000</b>
<b>Pro forma MOV 31 August 2015</b>	<b>21,280,000</b>	<b>21,280,000</b>



<b>6 Current trade and other payables</b>		
Aggregated MOV 31 August 2015	400,034	400,034
<i>Pro forma adjustments</i>	-	-
<b>Total pro forma adjustments</b>	-	-
<b>Pro forma MOV 31 August 2015</b>	<b>400,034</b>	<b>400,034</b>
<b>7 Other current liabilities</b>		
Aggregated MOV 31 August 2015	5,156	5,156
<i>Pro forma adjustments</i>	-	-
<b>Total pro forma adjustments</b>	-	-
<b>Pro forma MOV 31 August 2015</b>	<b>5,156</b>	<b>5,156</b>
<b>8 Non- current trade and other payables</b>		
Aggregated MOV 31 August 2015	526,898	526,898
<i>Pro forma adjustments</i>	-	-
<b>Total pro forma adjustments</b>	-	-
<b>Pro forma MOV 31 August 2015</b>	<b>526,898</b>	<b>526,898</b>
<b>9 Borrowings</b>		
Aggregated MOV 31 August 2015	-	-
<i>Pro forma adjustments</i>		
Borrowings - secured	16,000,000	16,000,000
Debt establishment fee	(40,000)	(40,000)
<b>Total pro forma adjustments</b>	<b>15,960,000</b>	<b>15,960,000</b>
<b>Pro forma MOV 31 August 2015</b>	<b>15,960,000</b>	<b>15,960,000</b>
<b>10 Issued Capital</b>		
MOV - 31 August 2015	58,889,120	58,889,120
<i>Pro forma adjustments</i>		
Pre-IPO issue of new capital	350,000	350,000
Issue of new capital under the Offer	1,500,000	2,000,000
Costs of the offer offset against new equity	(458,243)	(488,243)
<b>Total pro forma adjustments</b>	<b>1,391,757</b>	<b>1,861,757</b>
<b>Pro forma MOV 31 August 2015</b>	<b>60,280,877</b>	<b>60,750,877</b>

## Number of ordinary shares on issue

### Opening balance - 31 August 2015

MOV		510,886,186	510,886,186
MOV - Pre IPO ordinary shares		7,500,000	7,500,000
BLH		330,500,001	330,500,001
<b>Pro forma balance after BLH acquisition</b>		<b>848,886,187</b>	<b>848,886,187</b>
<i>Pro forma adjustments</i>			
Pre IPO shares	\$0.02	17,500,000	17,500,000
IPO shares (maximum)	\$0.20	7,500,000	10,000,000
		<b>25,000,000</b>	<b>27,500,000</b>
<b>Pro forma MOV 31 August 2015</b>		<b>873,886,187</b>	<b>876,386,187</b>

## 11 Retained earnings

<b>Aggregated MOV 31 August 2015</b>		<b>(52,906,580)</b>	<b>(52,906,580)</b>
<i>Pro forma adjustments</i>			
Legal and other costs of the BLH acquisition		(15,000)	(15,000)
Costs of the offer - retained earnings		(164,923)	(164,923)
Adjustment to carry Wharf St property at valuation		(1,223,600)	(1,223,600)
<b>Total pro forma adjustments</b>		<b>(1,403,523)</b>	<b>(1,403,523)</b>
<b>Pro forma MOV 31 August 2015</b>		<b>(54,310,104)</b>	<b>(54,310,104)</b>

## 5. BUSINESS OVERVIEW OF BLH

### 5.1 Business Model

Brisbane Land Holdings has been established to develop quality, medium to high-density residential apartments for an expanding market in the strong sustainable growth region of South East Queensland. Concentrating the business activity on Brisbane city, the residential products are to be developed in attractive convenient locations of inner Brisbane area suitable for a balance of both investors and owner occupiers.

The BLH preferred business model is not to compete in mature redeveloped areas but in locations that are well suited to the progressive demographic shift to inner Brisbane and will be attractive for both stable rental and long term home ownership.

The model project should have a minimum scale of around 300 apartments and ideally have sufficient flexibility to adjust to the variables of market activity and trends in apartment product mix preference.

BLH is planning for development of a number of this scale of project and is conscious it will need to build reputation and brand strength to reinforce market confidence.

All projects will have a high level of quality in apartment planning, building design and finish. The building services and construction will embrace energy management initiatives providing high environmentally sustainable development standards for both resident and body corporate benefit.

A well managed property underpins investment value and resident enjoyment. As a general rule resident amenities will include contemporary community facilities of gym, pool, social areas such as lounge, BBQ and guest entertainment facilities. A concierge will be available as building caretaker and resident management support.

## 5.2 Brisbane Property Market

### Summary

The Brisbane property market continues to remain strong with stable underlying demand. The Inner Brisbane area is well supported by two main factors. Increasing demand from the changing demographics led by the younger professional seeking a more urban life style, and, the attractive investment benefits of lower capital cost and higher yield compared to interstate.

These factors have stimulated a rising investor interest from interstate and internationally. Brisbane City Council has responded with a substantial increase in approvals for apartment products and new town planning initiatives to increase density and civic improvements to local amenity enhancing the benefits of Inner Brisbane city living.

### Key Points for Apartment Sales

- Sales. Brisbane annual sales volumes in the year to May 2015 are strong with the strongest growth in apartment sales compared to all other capital cities. Sales volumes of apartments are up 21% for the year to May 2015.
- Capital Values and Rental Yield. Remain stable with greater affordability than interstate on the east coast. Apartment values growth is steady at 3.3% over the past year.
- Rental Yield. Apartment rental yield is currently higher (5.3%) than interstate. Market research expects some short term softening of yields as the recent increase in new stock comes to the market but underlying demand should continue to support growth over the longer term. Apartment vacancy rates in Inner Brisbane are around 3%
- Product Type. For the March quarter sales records show around 50% of all apartment sales were for 2 bedroom + 2 Bathroom and around 35% for 1 bedroom + 1 bathroom.

### Economic and Demographic Demand

The Queensland economy is undergoing transition from the economic driver of the resources boom now in decline and the improving primary produce, export and tourism markets. Brisbane directly benefits from each economic driver as it is the major center for the State for government, professional services, international business, education and training.

Employment is in line with the national growth and expected to improve as much of the economic new infrastructure to the city business precincts, cultural and entertainment, air and shipping ports, come on line. The unemployment rate for Brisbane metropolitan area was at 5.5% in May 2015.

The average population growth of the Brisbane Local Government Area (LGA) has been around 20,000 per year for the past 10 years. This was largely from interstate migration. While the growth from interstate declined during the GFC period and is now resuming, recent growth has been largely contributed to by international migration. Growth in the Brisbane metropolitan area is expected to exceed 1.2% per annum over the next 5 years.

The biggest jump in the LGA demographic trends is the band in age bracket of 20 to

35 year olds. Of this group, the preference for residential accommodation is the Inner Brisbane area.

Inner Brisbane has the highest proportion (50%) of Professionals and Managers who represent around 45% of the work force in the Brisbane LGA. Consequently the Inner Brisbane market represents a higher proportion of households earning more than \$130,000 per annum.

It is this demographic that is the strongest driver for quality apartment accommodation within the Inner Brisbane area. They seek; affordable, conveniently located, well designed and managed residential accommodation with a good level of public amenity.

BLH intends to target this market in its preferred business model.

### 5.3 **Initial Development Project – Wharf St, Spring Hill**

BLH has entered into a Put & Call Option Agreement over a commercial property at 207 Wharf St Brisbane for redevelopment as its initial model residential project. The site is a prime residential apartment location with great elevation on the highest peak of Brisbane offering excellent views within walking distance of the CBD.

#### **The Existing Property**

The 207 Wharf St property has a site area of 2,440sqm and currently occupied by a 4 level commercial building with 2 basement car-parking levels. The property was purpose built in the mid 1990's for the Commonwealth Government to house the Australian Federal Police (AFP).

The building was developed privately on freehold title and has been owned by the current vendor since 1996.

The AFP remain in occupation as the exclusive tenant under a commercial office lease. The net lettable area is 5,058 sqm over 5 levels. The tenancy includes use of 62 basement car spaces and 7 at ground level. Current net rent is approximately \$1.99M per annum

The current lease term expires 31 March 2016 but the Commonwealth have requested an extension of one year with an option for a further 12 month term. This has been agreed subject to, a 6 month notice of termination clause exercisable on 90 days notice at any time after 30 September 2016, to minimize any delay to the development program. Rent will increase by 5% for the lease extension period.

The property has been inspected by a licensed building surveying consultant. The general building is considered in fair condition for its age and current use. All main services such as lifts, electrical, air conditioning and fire services, have been regularly maintained by the Lessor with reputable service providers under annual service agreements.

#### **Terms of Purchase**

BLH has executed a Put & Call Option Agreement to complete purchase of the property as a going concern for \$21,280,000. The purchase is to settle by 22 February 2016. FIRB have advised no objection to the acquisition by BLH.

A summary of the Agreement set out in Annexure C.

#### **Valuation**

The property has been valued at \$21,280,000 by M3property (Qld). of the Executive Summary from the Valuation Report is attached as Attachment A. A full copy of the

Report may be viewed on the Company's website at [www.landnhomesgroup.com](http://www.landnhomesgroup.com)

### **Financing of Purchase**

BLH has received a non legally binding term sheet to fund the acquisition on the following terms and conditions:

- The Facility limit is up to \$16 million, limited to a maximum of 75% of the Purchase Price or 75% of the valuation of the property, as determined by a bank approved valuer.
- The term of the Facility is one year.
- The interest rate is 1.5% above the 90 day BBSY Interbank cost of funds against the outstanding amount.
- There is a 0.25% flat establishment fee.
- Security will comprise first legal mortgage over the property, a general security agreement over BLH's existing and future assets, an assignment of the lease, personal guarantees from the ultimate beneficial owners until requotation of MOV's shares on ASX is achieved and a \$2 million cash deposit to be placed in a blocked interest bearing account to be drawn as equity towards the property acquisition, or for such other purposes as the bank may approve.

### **Development Plan**

BLH business plan is to redevelop the site as a multi storey residential tower of a minimum 20 levels (250 apartments) and possibly 30 levels (370 apartments) depending on final planning approval by Brisbane City Council.

The new development will take the form of a single tower with multi level basement and a 4 level commercial podium. The apartment product will be positioned to appeal to both owner occupiers and investors.

#### **Site Plan**

The land area is of good rectangular proportion that allows an efficient footprint for both underground basement parking, podium and a residential apartments. Entrance to the car park and to the residential lobby are both from Wharf St. The podium structure will extend to level 4 and the tower above set back in accordance with Town planning requirements. Existing buildings to the north, east and west are less than 10 levels affording the majority of 207 Wharf tower residents excellent views over Brisbane from the geographically elevated location.

#### **Basement**

The basement will house all residential car parking. The ratio in Brisbane is approximately one car space per apartment. The basement will be to scale with the number of apartments and tower height finally permitted. For 30 levels and 360 apartments 6 basement levels are required.

#### **Podium**

The podium is planned to be 4 levels comprising:

Ground Floor – Approximately 678 sqm ground level retail space and the main residential entrance lobby.

Levels 1 and 2 – visitor carpark levels to service the retail and commercial space.

Level 4 – Approximately 1870 sqm commercial office suites space.

The resident's amenities of pool, gym, activity and social areas will be located on the

top of the podium .

#### Residential Tower

The tower will rise to a height governed by Town planning permit. This is currently subject to new legislation to determine the final height of between 20 to 30 levels above Wharf St. The typical floor plan can accommodate up to 16 apartments per floor. The residential apartment product will be varied in mix and type as the tower rises to attract broad appeal to capitalize on the excellent views from the elevated position at the top of Spring Hill.

The general layout is well planned to accommodate a high percentage the apartment product in strongest demand of two bedroom + two bathroom.

#### **Development Town Planning Controls**

The Wharf street precinct is undergoing a significant enhancement in value and development potential through the introduction of the new Spring Hill Neighbourhood Plan (SHNP) expected in early 2016. This new town planning scheme envisions the precinct as a logical extension of the Brisbane CBD. The SHNP will allow a substantial increase in the permissible height of new buildings and a commitment to improvements in the local civic amenities to encourage growth in the residential community.

The new SHNP initiative has already attracted investment on neighboring property. The industry superannuation fund, CBUS, has recently acquired 185 Wharf St to undertake a 30 storey residential tower of prestige quality to be marketed to owner occupiers. Across the street work has commenced on a new 15 level Holiday Inn.

The scale of the tower at 207 Wharf is subject to final town planning Development Approval which will be applied for by BLH in 2016 following the adoption of the new SHNP by Brisbane Council.

#### **Development Process**

BLH is planning a conventional development process for approval, marketing, funding and delivery of the Wharf St project.

#### Current Lease

The property is income earning through a lease to the Commonwealth Government currently providing a net rent of around \$1.99M per annum. This will increase by 5% commencing April 2016.

BLH plans to fund the land acquisition with a minimum 60% bank loan finance and 40% equity. The residual income from the leasehold, after finance costs, will exceed \$1M and contribute to working capital.

#### Development Program

The overall program is affected by the eventual permitted height on the project. If 30 levels are permitted completion is anticipated in 2020.

Preliminary due diligence has recently been completed to assess the development potential of the site. This includes architectural planning of the building layout and options of scale, a review of engineering considerations for structure and services, a preliminary construction cost and program.

The pre development program will be subject to the adoption of the SHNP in early 2016 after which an application will be lodged in compliance with the new controls. Development Approval is expected in the third quarter 2016.

Planning and Design.

BLH has assembled an experienced professional team from Brisbane's leading property project planning and design consultants.

#### Management

BLH will maintain experienced executive and in house project management team to manage the planning and design through to marketing and pre construction phase. BLH will engage experienced, independent consultant Project Management consultants to oversee and control the construction documentation, construction contracting, Authority approval through to final completion and residential occupation of the project.

The Project Manager will be responsible for the project cost, program and contract administration with formal monthly reporting to BLH and the project financiers.

#### Sales and Marketing

A marketing plan will be devised during 2015 based on the extensive research, consultation with the major project marketing agencies and appointment of the creative marketing team.

Sales generation is likely to be through a combination of local and overseas sales medium. Pre-sale marketing of the residential apartments is planned to commence in Spring 2016. Pre-sales to achieve funding target is planned to have occurred by second quarter 2017.

#### Construction and Delivery

BLH intends that construction will be contracted through a Brisbane based tier one main contractor. The final form of contract has not been determined at this time but construction will be planned to commence mid 2017. Completion is expected to take between 2.5 to 3 years depending on the final tower height.

#### Financing

BLH plans to raise the funds necessary to refinance the \$16 million acquisition facility referred to above, and to complete construction of the project. This will require that presales of units of around 60% to be achieved before funds can be drawn down and construction work can commence.

## 6. REASONS FOR THE RESOLUTIONS

The relevant sections of the Corporations Act or Listing Rules for which the Resolutions are required to be passed are set out in the body of the Resolutions. The effect of each relevant provision of the Act and Listing Rules is as follows:

- **Listing Rule 11.1.2** – Under Listing Rule 11.1.2 ASX may require that a company gets approval from its Shareholders if it proposes to make a significant change either directly or indirectly to the nature or scale of its activities. ASX considers that the proposal constitutes such a change. ASX requires that MOV meet the requirements of Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the official list.
- **Listing Rule 7.1** – Listing Rule 7.1 requires the prior approval of Shareholders if a company proposes to issue in any 12 month period equity securities exceeding 15% of its ordinary securities on issue at the commencement of the 12 month period. Accordingly, shareholder approval is required to the issue of Shares pursuant to the proposed Public Offering of Shares by the Company.
- **Section 195 of the Corporations Act** - section 195 of the Corporations Act requires that any director who has a material personal interest in a matter to be considered by the board must absent himself or herself while the matter is

considered and may not vote on it. As the Company proposes to enter into Deeds of Access, Insurance and Indemnity with each of its directors, it will not be possible for the directors to approve the entry into an execution by the Company of the Deeds of Access, Insurance and Indemnity. Accordingly the directors have resolved that their execution be approved by the shareholders in General Meeting.

- **Section 157 of the Corporations Act** - section 157 of the Corporations Act provides that if a Company wishes to change its name, the members may pass a special resolution to that effect.
- **Section 136 of the Corporations Act** – section 136 of the Corporations Act provides that if a company wishes to adopt a new constitution the members may pass a special resolution to that effect.

## 7. THE DIRECTORS' RECOMMENDATION

There are a number of advantages and disadvantages to the Proposal.

Advantages	Disadvantages
<ol style="list-style-type: none"> <li>1. The proposed Public Offering will provide the Company with working capital to allow it to continue to develop its business.</li> <li>2. Following completion of the Acquisition the Company will have an enlarged operating business which will permit it to fund ongoing compliance and administration costs associated with maintaining a listed Company.</li> <li>3. Following re-quotations of its Shares, the Company will have an improved capacity to raise additional funds.</li> <li>4. There are no alternative proposals for MOV.</li> </ol>	<ol style="list-style-type: none"> <li>1. Persons who hold Shares in the Company will have invested in an entity operating in the business of printing and acting as a print and stationery broker. Following completion of the Acquisition the Company will be operating as a property owner and developer which have a very different risk profile.</li> <li>2. Existing Shareholders will have their holding diluted.</li> </ol>

There are a number of risks associated with BLH's business. These include:

### Timing

There may be a downturn in the viability of new residential development due to an over-supply arising from the current construction boom. The main risk is the investor market softens. This sector is discretionary and makes up between 30% to 40% of sales. It is currently driven to residential property due to cheap finance and the poor performance of the equity and bond markets. The brakes on investors and banks are already being applied by APRA and others.



In the event that there is downturn it may be necessary to delay the commencement of the development process beyond the termination of the current tenancy. In that case there will be need for capital expenditure to refurbish the property to secure new tenants on commercial rents.

Once commenced, construction could be delayed by factors such as adverse weather conditions, industrial action and labour and equipment shortages.

### **Financing**

The term sheet in respect of acquisition financing for the Wharf Street property described in Section 5.3 is not legally binding. Accordingly funding to complete the acquisition of the Wharf Street property is dependant on BLH entering into a legally binding loan facility agreement and satisfying any conditions precedent specified in that agreement.

BLH will be required to refinance the loan when it expires after one year. In addition BLH will be required to raise additional funds to redevelop the property.

Interest rates may increase during the term of the loan, which would impact on the economics of the project.

### **Politics**

Political disruption or extraordinary policy change is always a risk as it directly affects decision making. The main party here is the BCC for approval of development. In addition, the State Government must give its blessing to the Neighbourhood Plan (SHNP) first.

### **Construction Cost**

An increase in construction costs could arise as a result of increased construction activity. This could delay redevelopment of the Wharf Street property until costs return to normal.

### **Sales Rate and Presales Volume**

Conventional bank funding will require presales in excess of 60%. Of this BLH will require a percentage of overseas sales to maintain a rate of sales and volume to meet targets. Such sales are affected by the currency exchange.

The Directors consider that the advantages of the Proposal significantly outweigh the disadvantages particularly as the Company has no current business and there are no alternative proposals for the Company to consider. While the risks associated with successfully establishing the business and maintaining the business in future are quite high, the Directors consider that these risks are justified having regard to the prospects to develop the Wharf Street property.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Proposal.

Specifically the Directors recommend that you vote in favour of each of the Resolutions for the following reasons:

- Resolution 1 – Resolution 1 is recommended to enable the Company to complete the Acquisition.
- Resolution 2 – Resolution 2 is recommended to enable the Company to conduct the Public Offering.

- Resolution 3 – Resolution 3 is recommended to enable the Shares which form the consideration for the Acquisition to be issued to the Vendors.
- Resolution 4 – Resolution 4 is recommended to enable the Company to raise funds to expend on recompliance costs and working capital pending completion of the Public Offering.
- Resolutions 5 to 8 – Resolutions 5 to 8 are recommended because each of the individuals to be elected to the Board will bring significant skills to the Company.
- Resolution 9 – Resolution 9 is recommended as Deeds of Access, Insurance and Indemnity are commonly provided by listed public companies to their Directors.
- Resolution 10 – Resolution 10 is recommended so that the Company's name will be more appropriate to the business to be conducted following completion of the Acquisition.
- Resolution 11 – Resolution 11 is recommended so that the Company will have a Constitution which is compliant with ASX Listing Rules.

## **8. ADDITIONAL INFORMATION**

8.1 The following additional information is provided with respect to Resolution 2 for the purpose of Listing Rule 7.1:

- Maximum number of securities to be issued: 10,000,000
- The date on which the Company will issue the ordinary Shares: 11 December 2015
- The price at which the securities are to be issued – A\$0.20.
- The name of the allottee of the Shares – persons who subscribe for Shares pursuant to the Public Offering.
- The terms of the New Shares – each New Share is to be issued on the same terms as all ordinary shares in the capital of the Company currently on issue.
- The intended use of the funds to be raised – to further develop the business being acquired, and to provide the Company with working capital.
- The date of allotment – the New Shares and the Options will be allotted on the same date as they are issued as specified in the second bullet point above.
- A Voting Exclusion Statement – Please refer to the Notice of Meeting for details of the voting exclusion for the Resolutions.

8.2 The following additional information is provided with respect to Resolution 3 for the purpose of Listing Rule 7.1:

- Maximum number of securities to be issued: 330,500,001
- The date on which the Company will issue the ordinary Shares: 11 December 2015
- The price at which the securities are to be issued – each share will be issued in

exchange for one share in BLH.

- The name of the allottee of the Shares - San Teh Xing Investment Pte Ltd (150,000,000 shares); Fanny Seah (25,000,001 shares); Chieftian Ng (12,500,000 shares); Lai Huat Yeo (87,500,000 shares); David Loh Tai Min (12,500,000 shares) and an additional investor or investors (43,000,000).
- The terms of the Shares – each Share is to be issued on the same terms as all ordinary shares in the capital of the Company currently on issue.
- The intended use of the funds to be raised – There are no funds raised. The Shares are issued as the consideration for the Acquisition.
- The date of allotment – the Shares will be allotted on the same date as they are issued as specified in the second bullet point above.
- A Voting Exclusion Statement – Please refer to the Notice of Meeting for details of the voting exclusion for the Resolutions.

8.3 The following additional information is provided with respect to Resolution 4 for the purpose of Listing Rule 7.1:

- Maximum number of securities to be issued: 25,000,000
- The date on which the Company will issue the ordinary Shares – 11 December 2015
- The price at which the securities are to be issued – A\$0.02.
- The allottees of the Shares: sophisticated investors who have been identified by the Directors of MOV, none of which is or will be a related party or associated person with whom approval for acquisition or disposal is required by Listing Rule 10.1.
- The terms of the Shares – each Share is to be issued on the same terms as all ordinary shares in the capital of the Company currently on issue.
- The intended use of the funds to be raised – to fund compliance costs, and to provide the Company with Working Capital.
- The date of allotment – the Shares will be allotted on the same date as they are issued as specified in the second bullet point above.
- A Voting Exclusion Statement – Please refer to the Notice of Meeting for details of the voting exclusion for the Resolutions.

## 9. NEW DIRECTORS

Information regarding the New Directors is as follows:

### **Mr CK Kho**

Mr CK Kho is the Executive Chairman of the Singapore-based Lian Huat Group. Mr Kho graduated with First Class Honours in BSc (Engineering) from King's College University of London.

After joining Lian Huat Group in 1985, Mr Kho was responsible in upgrading and

modernizing the group's management system and expansion plan while preserving the qualities of the traditional Chinese ethics and culture to lead the group to be one with the international perspectives and practices and yet nimble with long-term vision.

Mr Kho is a director of ASX Listed LionHub Group Limited.

Mr Kho will not be an independent director.

### **Mr Patrick Kho**

Mr Patrick Kho is the Group Managing Director of Lian Huat Group. He graduated in 1988 with a BA degree from the University of Cambridge. He subsequently obtained a MA from the University of Cambridge in 1991. Mr Kho is also a Chartered Financial Analyst.

Mr Kho served his scholarship bond with the Singapore Armed forces until 1996 when he left to join Lian Huat Group. During his 12 years military career, Mr Kho served in various command and staff leadership positions in the Republic of Singapore Air Force. He commanded Air Defence Artillery missile units in the field while in the air force HQ he was in-charge of air force manpower planning and policy as well as the development of air force training policy.

As the Group Managing Director of Lian Huat Group, Mr Kho manages the Lian Huat Group's Singapore property development and investment businesses as well as the Lian Huat Group's property investments and hotel businesses in Australia and China. In recent years, he spearheaded property development projects in Singapore with a Gross Development Value (GDV) of close to S\$700m.

Mr Kho will not be an independent director.

### **Mr Grant Archibald**

Mr Grant Archibald will be an independent director. He is a graduate in Construction Management of RMIT in Melbourne and a Full Member of the Australian Institute of Building since 1974.

After 10 years in Melbourne as a construction company executive, Mr Archibald moved to Sydney and gained extensive experience in the overall delivery of major hotels, large-scale retail and residential projects. He has since enjoyed a broad and productive career with a record of successful management in most aspects of the property development industry ranging from land acquisition, design and construction, project and development management, marketing, sales and finance.

Since 1993, he has acted as CEO and Australian director of a number of major development project companies for investors from Malaysia, Singapore and China, initially in Sydney, then Gold Coast and currently, Melbourne. In this role, he has been responsible to shareholders and their financiers, for the successful undertaking of substantial property investment commitments. Mr Archibald's duties and experience have included most aspects of the related fiduciary duties required for corporate formation, operation, governance and accountability.

From 2008 to 2012, Mr Archibald spent 4 years as a senior management executive for a major publicly listed development corporation based in Shanghai, where he was responsible to lead the international consultant team on developing large scale missed use projects in the Yangtze Delta region.

Mr Archibald returned to Australia and established in Melbourne, for Chinese and

Australian investors, a residential property development company undertaking a variety of large scale projects.

Following completion of the Transaction, Mr Archibald will be appointed to the position of Managing Director of the Company, on the following terms and conditions:

**Mr Peter Mackinlay**

Mr Peter Mackinlay will be an independent director. He has been in the banking industry since 1961, having commenced with the National Bank of Australasia in managerial roles in Australia and Singapore. He then moved to Istituto Bancario San Paolo Torina, Italy's largest banking group, where he acted in Singapore as Manager – Corporate Banking, responsible for South East Asia and Australasian banking business, focusing on corporate lending, syndicated loans and capital market deals.

In 1990, he established the Istituto Bancario San Paolo Torino's Representative Office for Australia, New Zealand and the South Pacific. He was responsible for corporate lending, syndicated facilities, property finance, treasury products and financial institutions relationships.

In 1995, Mr Mackinlay was recruited by Singapore based Overseas Union Bank Limited as Regional Head for Australia and New Zealand. He was responsible for corporate and retail banking, project finance, capital market facilities, treasury products, intuitional relationships and investment activities throughout the Australia and New Zealand region. He helped develop risk management and liquidity policies to ensure the bank was compliant at all times with APRA policies and regulations. He focused on setting strategy and goals and developed a success driven team focused on strong business performance and operational efficiency. He also assumed responsibility for all regulatory compliance, while establishing offices in Melbourne and Brisbane to enhance and grow the bank's business.

From 2001, Mr Mackinlay took up the role of Chief Executive Officer for United Overseas Bank Limited (following merging with Overseas Union Bank Limited), from where he retired in March 2014.

**10. THE DEEDS OF ACCESS, INSURANCE AND INDEMNITY**

It is customary for listed public companies to enter into Deeds of Access, Insurance and Indemnity with their directors, pursuant to which the directors may be entitled to access the company's books and records in the event that a claim is brought against them while they are directors and for a period of seven years following retirement or longer if proceedings are unresolved; the company agrees to use reasonable endeavours to maintain directors and officers liability insurance for the directors during that period; and the company agrees to indemnify the directors during that period against any loss or liabilities incurred by them in their capacity as directors of the company.

**11. THE CHANGE OF NAME**

The Directors propose that the name of the Company be changed to Land & Homes Group Limited to better reflect the business of the Company following completion of the Acquisition of BLH.

The Company intends notifying ASIC of the name change immediately following completion of the Public Offering and receipt of conditional approval from ASX of the quotation of the Company's Shares. The name change will become effective when ASIC changes the Company's registration to reflect the change. The name change

will not become effective following the meeting.

## 12. ADOPTION OF REPLACEMENT CONSTITUTION

It is proposed that the Company adopt a Constitution which is up to date and reflects the current requirements of ASX Listing Rules.

The Constitution proposed to be adopted will be tabled at the meeting and its key provisions are summarised in Annexure D. Further, a copy of the proposed Constitution may be viewed on the Company's website at [www.landnhomesgroup.com](http://www.landnhomesgroup.com).

## 13. GLOSSARY

In the Notice and this Explanatory Memorandum the following expressions have the following meanings:

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

**"Acquisition"** means the proposed acquisition of Brisbane Land Holdings Pty Ltd pursuant to the Sale and Purchase Agreement.

**"Agreement"** or **"Sale and Purchase Agreement"** means the conditional Sale and Purchase Agreements between the Company and the Vendors entered into between 28 July 2015 and 31 August 2015 which is summarised in Annexure A to this Explanatory Memorandum.

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

**"Associate"** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

**"ASX"** means Australian Securities Exchange.

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

**"BLH"** means Brisbane Land Holdings Pty Ltd ACN 606 703 913.

**"Board"** means the board of Directors of the Company.

**"Business Day"** means a day, other than a Saturday or Sunday, on which banks are open for general banking business in Perth, Western Australia.

**"Buyer"**, **"Company"** or **"MOV"** means MOV Corporation Limited (ACN 090 865 357).

**"Constitution"** means the constitution of the Company.

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

**"Directors"** means each of the Directors of the Company being

**"Explanatory Memorandum"** means this Explanatory Memorandum.

**"Investor Group"** means the parties to whom shares are proposed to be issued pursuant to Resolution 4 as described in Section 8.3.

**"Meeting"** and **"General Meeting"** means the meeting convened by this Notice.

**“New Directors”** means the directors to be elected to the Board pursuant to Resolutions 5 to 8, as described in Section 9.

**“New Shares”** means Shares to be issued pursuant to the Public Offering.

**“Notice”** means the notice of meeting that accompanies this Explanatory Memorandum.

**“Proposal”** means the Transaction and related matters for which shareholder approval is sought, as set out in the Notice and as described in this Explanatory Memorandum.

**“Public Offering”** means the proposed public offering by the Company of shares to raise between A\$1.5 million and A\$2 million.

**“Resolutions”** means the resolutions referred to in the Notice and **“resolution”** means either one of them.

**“Share”** means a fully paid ordinary share in the capital of the Company and where the context requires, includes Post Consolidation Shares.

**“Shareholder”** means a registered holder of Shares in the Company.

**“Transaction”** means the transaction the subject of the Agreement.

**“Vendors”** means the vendors under the Sale and Purchase Agreement comprising the parties described in Section 8.2.

## ANNEXURE A

### Summary of Sale and Purchase Agreement

The following is a summary of the terms of the Sale Agreements between MOV Corporation Limited ("**Company**") and Gek Swee Fanny Seah, San Teh Xing Investments Pte Ltd, Chieftian Ng, Lai Huat Yeo and David Loh Tai Min ("**Vendors**") respectively.

1. The assets being acquired are all of the capital of Brisbane Land Holdings Pty Limited ("**Target**") which carries on the business described in the accompanying Announcement.
2. The consideration for the acquisition is one share in the Company for each share held in the Target ("**Purchase Shares**").
3. Completion of the acquisition is subject to the following conditions precedent which remain unsatisfied as at the date of this Explanatory Memorandum:
  - All approvals required in connection with the transaction having been obtained, including the approval of the shareholders of the Company.
  - The holders of all of the shares in the capital of the Target having entered into agreements on the same terms and conditions as this Agreement to sell all of the shares in the Target to the Company .
  - The Company having conducted a public offering of shares and having satisfied all of the conditions under Chapters 1 and 2 of ASX Listing Rules and re-quotations occurring.
  - Satisfactory completion of all legal and commercial due diligence.
  - Such consents as may be required to the transfer of the shares in the Target to the Company from the counterparties to all business contracts.
4. Each of the Vendors makes certain representations and warranties with respect to the Target group including as to the ownership of the shares.



## ANNEXURE B

### Corporate Governance Statement

#### 1. Introduction

The Board of Directors of MOV Corporation Limited (“**Company**”) is responsible for the Company's corporate governance framework, as set out in this Corporate Governance Statement. This Corporate Governance Statement and supporting materials have been prepared by reference to the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations, third edition.

This Corporate Governance Statement has been approved by the Directors and is current as at 18 September 2015 being the date of this Explanatory Memorandum.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board considers the recommendation to be appropriate for its corporate governance practices. Where the Company's corporate governance practices does not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company adopts instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at [www.landnhomesgroup.com](http://www.landnhomesgroup.com) under the section marked "Corporate Governance"

Board Charter  
Code of Conduct  
Continuous Disclosure Policy  
Diversity Policy  
Risk Management and Internal Compliance and Control Policy  
Performance Evaluation Policy  
Remuneration Policy  
Securities Trading Policy  
Shareholder Communications Policy

#### 2. Roles and responsibilities of the Board and Company Secretary (Recommendations: 1.1,1.4)

The functions reserved to the Board, and those delegated to senior executives are set out in the Board Charter.

The Board is responsible for promoting the success of the Company through its overseeing the management of the Company, providing corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management developing corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company Secretary supports the Board by monitoring that Board policy and procedures are followed, and by coordinating the completion and dispatch of Board agendas, minutes, registers and briefing papers. The Company Secretary is accountable to the Board via the Chair.

Senior executives are responsible for supporting the Chief Executive Officer and assisting the Chief Executive Officer in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters at

first instance to the Chief Executive Officer or, if the matter concerns the Chief Executive Officer, directly to the Chair or the lead independent Director, as appropriate.

### **3. Selection and Appointment of Directors (Recommendation: 1.2, 1.3, 2.6)**

In determining candidates to join the Board the Board will evaluate the mix of skills, experience, expertise and diversity of the existing Board. In particular, the board will seek to identify the particular skills and diversity that will best increase the Board's effectiveness. Consideration will also be given to the balance of independent Directors. Any appointment made by the Board will be subject to ratification by shareholders at the next general meeting.

Prior to the appointment of a new director the Board will undertake appropriate checks to ensure that the person's character, experience and education are appropriate for the position which will include criminal history and bankruptcy checks.

Each Board member will have a written letter of appointment or executive contract setting out the terms of his or her appointment. New Directors will be familiarised with the Company by undertaking an induction program, which shall be arranged by the Company Secretary.

### **4. Diversity (Recommendation: 1.5)**

The Company has established a Diversity Policy, which provides the Board with objectives for achieving diversity that are appropriate for the Company.

The Company presently has only a small number of full time employees. The Board considers due to the size of the Company setting measurable diversity objectives is not appropriate with its practice currently being to hire the most appropriate candidate for the position to be filled having regard to the activities to be undertaken in the role. As the Company increases in size the board will consider setting measurable objectives.

The Company will report on the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board in its Annual Report.

### **5. Performance evaluation of the Board, its committees and individual directors (Recommendations: 1.6) and Senior executives (Recommendations: 1.7)**

The Chair has the overall responsibility for evaluating the Board, any committees established and, when appropriate, individual directors on an annual basis.

The method and scope of the performance evaluation will be set by the Chair and which may include a Board self-assessment checklist to be completed by each Director. The Chairperson may also use an independent adviser to assist in the review.

The Chief Executive Officer will review the performance of the senior executives. The Chief Executive Officer will conduct a performance evaluation of the senior executives by meeting individually with each senior executive on a yearly basis to review performance against the senior executive's responsibilities as outlined in his or her contract with the Company and against key performance indicators (KPI's) set for the senior executive set by the Chief Executive Officer or the Board.

The performance of Executive Directors and the Chief Executive Officer, will be reviewed by the Board. The Board (or Directors nominated by the board) will conduct a formal performance evaluation of any Executive Directors annually to review

performance against KPIs set for the previous year, and to establish KPIs for the forthcoming year.

**6. Nomination Committee (Recommendations: 2.1) Audit Committee (Recommendations: 4.1) Risk Committee (Recommendation (7.1) Remuneration Committee (Recommendations: 8.1)**

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time preferring to manage the Company through the full board of Directors.

Matters typically dealt with by a Nomination, Audit, Remuneration and Risk committee will be dealt with by the full Board in accordance with adopted policies and procedures.

If the Company's activities increase in size, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate.

**7. Skills, experience, expertise and period of office of each Director (Recommendation: 2.2)**

A profile of each Director setting out their skills, experience, expertise and period of office will be included in the Company's Annual Report.

The mix of skills and diversity for which the Board is looking to achieve in its membership is represented by the current Board. The Board comprises directors with significant experience as directors of public companies; marketing experience; accounting and financial expertise; experience in the management and growth of businesses and extensive experience in the industry in which The Company operates. The Board considers that these skills and experience are appropriate for The Company.

Each Director other than the Chief Executive Officer, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director or one third of the total number of Directors (rounded down) retiring by rotation. A Director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of Directors is not automatic.

**8. Director independence and Professional Development (Recommendations: 2.3, 2.4, 2.5, 2.6)**

The Board does not have a majority of directors who are independent.

The Board considers that the composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. These skills include members with significant experience as directors of public companies, relevant experience in the management and growth of businesses together with extensive experience in the property industry.

The Board will review its composition as the Company's circumstances change. The Board will have regard to the Company's Diversity Policy and the balance of independence on the Board in identifying appropriate candidates for any

appointments for the Board.

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and the Company's materiality thresholds.

The Chair of the Board is independent.

It is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice. Where it is the Chair who is seeking the independent professional advice, the role of the Chair to consider and provide approval as set out above will be carried out by the independent Directors.

It is the Board's policy that directors be encouraged to maintain and develop their skills and knowledge needed to perform their role as directors effectively and will pay the reasonable expenses of directors who wish to participate in professional development activities.

**9. Code of Conduct (Recommendation: 3.1)**

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

**10. Integrity of Financial Reporting (Recommendations: 4.2, 4.3)**

The full Board has responsibility for verifying and safeguarding the integrity of its corporate reporting. The full Board will assess any proposal to appoint or remove the auditor and will ensure that the engagement partner rotates in accordance with the Corporations Act.

The Chief Executive Officer and the Chief Financial Officer will provide a declaration to the Board in accordance with Section 295A of the Corporations Act and will assure the Board that such declaration is founded on a sound system of risk management and internal controls and that the system is operating effectively in all material respects in relation to financial reporting risks.

A representative of the Company's auditor will be present at the Annual General Meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditors' report

**11. Continuous Disclosure (Recommendation: 5.1)**

The Company has established a written policy designed to ensure compliance with ASX Listing Rules disclosure requirements and accountability at a senior executive level for that compliance.

**12. Shareholder Communication (Recommendations: 6.1, 6.2, 6.3, 6.4)**

The Company has designed a communications policy for promoting effective communication with shareholders, receive communities from shareholders, including by electronic means, and encouraging shareholder participation at general meetings and at the annual general meeting.

### **13. Risk Management Recommendations: (7.2, 7.3, 7.4)**

The Company has not established an internal audit function.

The Board has adopted a Risk Management, internal Compliance and Control Policy, which sets out the Company's risk management and control framework. Under the policy, the Board is responsible for the oversight of the Company's risk management and control framework and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks.

In fulfilling the duties of risk management, the Chief Executive Officer may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board will receive a periodic report from management as to the effectiveness of the Company's management of identified risks, including identified weaknesses or incidents and will review the Company's risk framework, at least annually to satisfy itself that it continues to be sound and appropriate for the Company's size and levels of operations.

The Company does not have any material exposure to sustainability risks relating to economic, environmental and social matters.

### **14. Remuneration of Directors and Executives (Recommendations 8.2, 8.3)**

Details of remuneration, including the Company's policy on remuneration, will be contained in the "Remuneration Report" which will form part of the Company's Annual Report.

The Company's policy is to remunerate non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to individual performance. From time to time the Company may grant performance rights or options to non-executive Directors. The grant of performance rights or options is designed to attract and retain suitably qualified non-executive Directors. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

Executive remuneration consists of a base salary and performance incentives.

Short term performance incentives may be paid in cash and may be subject to the successful completion of performance hurdles agreed by the board.

Long term performance incentives may include options, performance rights, or other equity based products granted at the discretion of the Board subject to obtaining the relevant approvals. The grant of equity based products is designed to recognise and reward efforts as well as to provide additional incentive to continue those efforts for the benefit of the Company, and may be subject to the successful completion of performance hurdles.

Executives are offered a competitive level of base pay at market rates (for comparable

companies), which are reviewed at least annually to ensure market competitiveness.

The Company's Securities Trading Policy includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

#### 15. ASX Corporate Governance Council recommendations checklist

The following table sets out the Company's position with regard to adoption of the Principles & Recommendations:

<b>Principles and Recommendations</b>		<b>Comply</b>
<b>Principle 1: Lay solid foundations for management and oversight</b>		<b>(Yes/No)</b>
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes
1.2	Background checks and information to be given for elections.	Yes
1.3	Written contracts of engagement.	Yes
1.4	Company Secretary accountable to board through Chairperson	Yes
1.5(a) and (b)	Diversity Policy	Yes
1.5(c)	Measurable Objectives in Diversity Policy	No
		The Board considers that due to the size of the Company setting measurable diversity objectives is not appropriate with its practice currently being to hire the most appropriate candidate for the position to be filled having regard to the activities to be undertaken in the role
1.6	Evaluation of Board	Yes
<b>Principle 2: Structure the Board to add value</b>		
2.1	The Board should establish a nomination committee	No
2.2	Skills Matrix	Yes
2.3	Disclose independence and length of service	Yes
2.4	A majority of the Board should be independent directors.	No. The Board has been constituted having regard to the skills and experience of its members. The result is that it

		comprises an equal number of independent and non-independent directors.
2.5	The chair should be an independent director.	Yes
2.5	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
2.6	Induction and professional development of directors	Yes
<b>Principle 3: Promote ethical and responsible decision-making</b>		
3.1	Companies should establish a code of conduct	Yes
<b>Principle 4: Safeguard integrity in financial report</b>		
4.1	The Board should establish an audit committee.	No  Due to its current size the Company has not established an audit committee. The full Board will undertake the activities normally undertaken by an audit committee
4.2	Declaration from chief executive officer and the chief financial officer (or equivalent) that the declaration provided in accordance with Section 295A of the Corporations Act.	Yes
4.3	External Auditor to be available at AGM	Yes
<b>Principle 5: Make timely and balanced disclosure</b>		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements	Yes
<b>Principle 6: Respect the rights of shareholders</b>		
6.1	Information of website	Yes
6.2	Investor relations program	Yes
6.3	Facilitate participation at general	Yes

	meetings	
6.4	Facilitate electronic communications	Yes
<b>Principle 7: Recognise and manage risk</b>		
7.1	The Board should establish a risk committee	No Due to its current size the Company has not established a risk committee. The full Board will undertake the activities normally undertaken by a risk committee
7.2	Conduct annual risk review	Yes
7.3	Internal audit function	No
7.4	Disclose exposure to sustainability risks	Yes
<b>Principle 8: Remuneration fairly and responsibly</b>		
8.1	The Board should establish a remuneration committee	No Due to its current size the Company has not established a remuneration committee. The full Board will undertake the activities normally undertaken by a remuneration committee
8.2	Disclose remuneration policy	Yes
8.3	Disclose policy on hedging equity incentive schemes	Yes



## Annexure C

### Summary of Put & Call Option Agreement

The following is a summary of the Put & Call Option Agreement between BLH (**Purchaser**) and Wharf Street Investments Pty Ltd (**Vendor**) in respect of the property known as 207 Wharf Street (**Property**).

1. The Purchaser has an option to call for a transfer of the property to it or to its nominee, such option to be exercised by 20 January 2016.
2. The Vendor has an option to require the Purchaser to purchase the Property. Such option expires on 31 January 2016.
3. The Vendor must use reasonable endeavours to maintain the service contracts.
4. The Purchaser will lodge a non-lapsing caveat over the Property.
5. The Purchaser may appoint a nominee under the Option Agreement.
6. A security payment of \$1,064,000 was paid by the Purchaser pursuant to the Option Agreement, together with the Call Option Fee of \$10.00, both of which are held by the Vendor's solicitors.
7. A put option fee of \$10.00 was paid by the Vendor, to be held by the Purchaser.
8. The Vendor makes a number of warranties in respect of the Lease over the Property in both the Option Agreement and the Contract, as follows:
  - (a) the Lease represents the entirety of all rights of third parties to occupy the Property;
  - (b) the Tenant is not in material default of any obligation under the Lease;
  - (c) the Vendor is not in default under the Lease of which it is aware;
  - (d) the Tenant has not exercised the option for a further term under the Lease;
  - (e) the Vendor has not given or received written notice of any dispute with the Tenant under the Lease as to any amount of rent or other payment required to be made under the Lease or in relation to any other matter;
  - (f) there is no agreement with the Tenant which after completion under the Contract would bind the Purchaser as landlord that has not been disclosed to the Purchaser; and
  - (g) there are no incentives given or agreed to be given by the Vendor to the Tenant.
9. The Purchaser acknowledges that in entering the Option Agreement it has made its own investigations and has not relied on any representation, statement or warranty whether express or implied made by the Vendor or anyone on its behalf relating to:
  - (a) the state or condition of the Property;
  - (b) the suitability for any use or purpose of the Property;
  - (c) the potential for development of the Property for commercial gain;
  - (d) the rights and privileges pertaining to the Property;
  - (e) any other matter which might have a beneficial effect on the Property,
  - (f) other than those matters expressly stated in the Option Agreement.
10. The Purchaser accepts the Property:
  - (a) as is in its present condition subject to all latent and patent defects;

- (b) subject to the requirements of all relevant competent authorities requiring performance of work or payment of money in connection with the Property whether that requirement arose before or after entry into this Contract;
  - (c) subject to all restrictions on use of the Property whether under the relevant town planning scheme or otherwise;
  - (d) subject to the conditions of any consents or approvals issued by any competent authority in respect of the Property whether or not those conditions have been performed (or are due for performance).
11. The Purchase Price for the acquisition under the Contract is \$21,280,000 (plus GST with the going concern exemption to apply).
  12. A deposit of 5% of the Purchase Price is payable under the Contract.
  13. Stamp duty will be payable on the GST inclusive price, estimated to be \$1,204,125.00.
  14. Titles registration fees will be payable on the GST inclusive price, estimated to be \$67,457.40.
  15. The Purchaser warrants under the Contract that:
    - (a) **(power)** it has full legal capacity and power to:
      - (i) own property; and
      - (ii) enter into and perform its obligations under this Contract;
    - (b) **(authorisations)** it has taken all action required, and obtained or been granted all consents, approvals, permissions and authorisations, whether internal or external, necessary to enable it to enter into, and perform its obligations under, this Contract;
    - (c) **(binding obligations)** this Contract constitutes a valid and legally binding obligation of it in accordance with its terms; and
    - (d) **(no untrue statements of fact)** no representation, warranty or other information provided by it contains any untrue statement of material fact or omits to state a material fact necessary to ensure that the representation, warranty or information is not misleading.
  16. The Vendor consents under the Contract to the Purchaser submitting a development application (or applications) or applying for any other development, building or operational works approvals in relation to the Property from any relevant authority, including council.
  17. The Vendor assigns all of the Vendor's right, title and interest (if any) in the Intellectual Property to the extent capable of assignment (intellectual property meaning all rights held by the Vendor (including copyright, if the Vendor has such copyright) to all documents and things held by the Vendor in relation to the use and development of the Property including the Indicative Scheme and all approvals, licences, permits, plans, drawings, reports and other documents relating to the use and development of the Property including engineering, architectural, environmental and other studies, reports, plans infrastructure, and environmental impact studies and other documents and things held by it in relation to the Property and the benefit of all agreements with third parties in relation to the use and development of the Property). If requested by the Purchaser, the Vendor shall sign such documents and do all such things as may be necessary to perfect the assignment.
  18. To the extent it can lawfully do so, the Vendor assigns to the Purchaser the building warranties (being the guarantees, warranties, undertakings and other agreements under which the Vendor is entitled to a benefit given by a third party in respect of the improvements on the Land including but not limited to the roof, downpipes and drainage system and any defect liability obligations and statutory rights).
  19. The Vendor must:
    - (a) at its cost, prior to the date for completion under the Contract, submit to the Tenant the Form 13 - Amendment of Lease for execution in the same or the substantially same form in Schedule 5 of the Option Agreement;

- (b) not agree to any amendments to the Form 13 – Amendment of Lease without the prior written consent of the Purchaser; and
  - (c) procure and deliver the fully executed Form 13 - Amendment of Lease to the Purchaser on completion under the Contract.
20. The Form 13 Amendment of Lease will:
- (a) increase the rent payable by the Tenant;
  - (b) extend the term under the lease for a period of 12 months;
  - (c) provide a mechanism for a further term of 12 months; and
  - (d) at any time after 30 September 2016, give a termination right in favour of the Lessor by giving 90 days' written notice of such termination to the Tenant.
21. The Vendor must:
- (a) do all things to keep current all licences and registrations until completion;
  - (b) notify Workplace Health and Safety Queensland as soon as reasonably practicable after Completion that they no longer have management or control of the plant that is the subject of the Licences and Registrations; and
  - (c) do all things reasonably necessary to assist the Purchaser to have the Licences and Registrations transferred, assigned, novated or reissued to the Purchaser.
22. Completion of the acquisition is scheduled for 20 February 2016.

## **Annexure D**

### **Summary of Proposed Constitution**

The following is a summary of the key provisions of the Constitution which is proposed to be adopted by Resolution 12:

#### **1. Compliance with Listing Rules**

If the Company is listed on ASX, the Company is required to comply with ASX Listing Rules regardless of any inconsistency between the Constitution and the Listing Rules and regardless of any omission from the Constitution.

#### **2. Share Capital and Variation of Rights**

Subject to the Constitution, Listing Rules and the Corporations Act, the Directors may issue Shares or grant options at their discretion, except that they may not, without the prior approval of Shareholders in General Meeting, allot any Shares where the allotment would have the effect of transferring a controlling interest in the Company.

If at any time the share capital of the Company is divided into different classes of Shares, the rights attaching to any class may be varied only with the consent in writing of the holders of three quarters of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class, unless their terms of issue specify otherwise.

#### **3. Liens on Shares**

The Company has a lien on every Share and any dividends it pays on those Shares where an unpaid call or instalment is due but unpaid on that Share.

If the Company has given the holder of the Share a written notice demanding payment of such amount and the member fails to pay all of the amount demanded, then 14 days after having given such notice, the Directors may sell the Shares in any manner determined by them.

#### **4. Transfers of Shares**

A member may freely transfer all or any of the members' Shares except where such Shares are Restricted Securities as defined in the ASX Listing Rules.

The Directors may only decline to register a transfer of Shares in limited circumstances, including where the transfer is not in registerable form.

#### **5. General Meetings**

The quorum for a General Meeting is 3 members being present in person or by a proxy, attorney or representative and entitled to vote at the Meeting.

The Chairman may at his discretion and must if so directed by the Meeting, adjourn a General Meeting. If General Meeting is adjourned for 30 days or more, notice of the adjourned Meeting must be given as in the case of the original Meeting.

A Resolution put to a General Meeting will be decided on a show of hands unless a poll is demanded by the Chairman; at least 5 members entitled to vote on the Resolution; or members with at least 5% of the votes that may be cast on the Resolution.

The Chair shall have the casting vote in the case of an equality of votes on a show of hands or on a poll in addition to any deliberative vote to which the Chair may be entitled.

The Directors may determine that members are entitled to direct vote at a General Meeting and may prescribe rules to govern direct voting.

## **6. Directors**

The number of Directors shall be not less than 3 and not more than 7 as the Directors determine.

One third of the Directors shall retire by rotation at each General Meeting.

The Directors may at any time appoint a Director to fill a casual vacancy or as an additional Director. Any such Director shall cease to hold office at the end of the next Annual General Meeting, except that he or she shall be eligible for election at that Meeting.

A Director is not required to hold any Shares in the Company.

The maximum aggregate sum per annum to be paid to the Directors (not including any Managing Director or Executive Director) as remuneration for their services is \$600,000 or any other maximum amount as the Shareholders may determine.

The Directors are responsible for managing the Company's business, and may exercise all powers of the Company which are not required to be exercised by the Company in General Meeting under the Corporations Act, Listing Rules or otherwise under the Constitution.

The quorum for a Meeting of Directors is 2 or such greater number as the Directors may determine from time to time.

The Directors may delegate any of their powers to a committee or committees consisting of at least one of their number and such other persons as they think fit.

## **7. Dividends and Reserves**

Subject to the rights of persons (if any) holding Shares with special rights to a dividend, the Directors may declare a dividend in accordance with the Corporations Act and the Listing Rules. The payment of any dividend does not require confirmation by the Members in General Meeting.

## **8. Indemnity and Insurance**

To the extent permitted by law, the Company must indemnify any present or previous Director against any liability, except for persons who were Directors of the Company prior to 28 November 2014.

The Company may pay, or agree to pay a premium for a contract insuring a person who has been an officer or order of the Company against liability to the extent permitted by law, except for such persons.

## Attachment A

### Executive Summary of Valuation Report

<b>Property Details</b>	
<b>Address</b>	187-207 and 211A Wharf Street, Spring Hill, Brisbane, Queensland, 4000.
<b>Prepared for and Purpose</b>	<p>Instructed Brisbane Land Holdings Pty Ltd to prepare a valuation for accounting purposes of both Brisbane Land Holdings Pty Ltd and MOV Corporation Ltd as part of the intended Brisbane Land Holdings shareholding acquisition by MOV Corporation and also to be relied upon by intending mortgagee for mortgage security purposes.</p> <p>Reliance upon this report by an intending mortgagee is subject to an assignment of the report to the nominated mortgagee by m3property (Qld) Pty Ltd.</p>
<b>Registered Owner</b>	Wharf Street Investments Pty Ltd.
<b>Interest Valued</b>	Fee simple subject to the existing lease.
<b>Land Area</b>	2,433 square metres.
<b>Planning</b>	<p>Identified by the Brisbane City Council as being within a MU1 Mixed Use (inner city) area and subject to the 'Petrie Terrace and Spring Hill Local Plan'.</p> <p>The subject is proposed to be zoned PC1 Principal Centre (City Centre) under the proposed new Spring Hill Neighbourhood Plan which is expected to be gazetted by mid 2016 and has been formally recommended by the Brisbane City Council to the Qld State Government. Given the site is greater than 1,800 square metres the zoning will allow development up to 30 storeys.</p>
<b>Description</b>	<p>The property is situated in Spring Hill 800 metres north of the Brisbane CBD.</p> <p>The subject is a 2,433 square metre rectangular shaped inside allotment that falls moderately to the rear and has a moderate crossfall from its northern boundary to its southern boundary.</p> <p>The land is improved with a c1995 rendered precast concrete and concrete masonry commercial office building of four levels together with two basement levels. In our opinion the building provides B minus quality office accommodation. Vehicle access is available from Wharf Street and from Carrol Lane.</p> <p>The property is currently the subject of a put and call option with a contract of sale (if option exercised) purchase price of \$21,280,000 exclusive of GST between Wharf Street Investments Group Pty Ltd (vendor) and BLF Wharf Pty Ltd (purchaser). The purchaser is a wholly owned subsidiary of Brisbane Land Holdings Pty Ltd.</p> <p>The property is wholly leased to Commonwealth of Australia for an annual gross rental of \$2,473,587 pa ex GST. It is proposed that the vendor will prior to settlement finalise the 1 year plus 1 year option extension of the lease from its current expiry of 31 March 2016 until 31 March 2017. This amendment provides for the Lessor to terminate during the one year lease after 6 months with 90 days notice and in the option period either party can terminate after 6 months with 90 days notice. This valuation is conditional upon the lease amendment being finalised on the terms and conditions as per the put and call option agreement.</p>
<b>Net Lettable Area</b>	4,695 square metres.
<b>Car Spaces</b>	63 spaces, providing a parking ratio of 1:75.
<b>Vacancy</b>	Nil
<b>Lease Expiry</b>	31 March 2017

**Property Details****Major Issues**

The market continues to be active for inner city residential development sites and the resultant end product. In the event of a major downturn in demand there may be a negative impact on market values of development sites within this category. The subject however provides some flexibility with its holding income and commercial office improvements allowing alternative use.

**Valuation Approaches**

The property has been valued utilising as the primary valuation method the direct comparison on rate per square metre of land area with as a secondary check valuation method the capitalisation of net income approach.

**Critical Conditions**

1. The put and call option includes a draft amendment for lease to extend the current lease until 31 March 2017. Our valuation is subject to this lease amendment being finalised.
2. The Brisbane City Council has prepared and recommended to State Government a draft planning scheme (Spring Hill Neighbourhood Plan) which provides for development of the site up to 30 storeys. This plan is due to be finalised by mid 2016 as per Council's program. Our valuation is subject to this plan being adopted.

**Date of Inspection**

11 August 2015.

**Date of Valuation**

11 August 2015.

**Market Value**

**\$21,280,000** exclusive of GST.

**Valuer**

John Falvey AAPI  
Certified Practising Valuer  
Registration No. 3357  
Director – m3property (Qld)

Ross B Perkins FAPI  
Managing Director – m3property (Qld)

**Valuation Summary****Income****Gross Income**

Passing \$2,473,587 pa - \$527/m<sup>2</sup>  
Market \$2,211,630 pa - \$471/m<sup>2</sup>

**Adopted Outgoings**

\$452,203 pa - \$96/m<sup>2</sup>

**Net Income**

Passing \$2,021,384 pa - \$431/m<sup>2</sup>  
Market (inc vacancy allowance) \$1,704,136 pa - \$363/m<sup>2</sup>

**Direct Comparison Approach**

**Land Area** 2,433 square metres  
**Value Range Per square metre** \$8,700 to \$8,800  
**Value Range Calculated** \$21,167,100 to \$21,410,400  
**Value Indicated** \$21,280,000 (Rounded)

**Capitalisation Approach**

**Capitalisation Rate** 8.25%  
**Adjustments** \$550,151  
**Indicated Value** \$21,200,000 (Rounded)

**Valuation Analysis**

**Adopted Market Value** **\$21,280,000**  
**Value /m<sup>2</sup> of land area** \$8,746/m<sup>2</sup>  
**Value /m<sup>2</sup> of net lettable area** \$4,532/m<sup>2</sup>  
**Passing Yield** 9.49%  
**Equivalent Yield** 8.26%  
**Market Yield (fully leased)** 8.26%

## **Risk Profile**

### **Asset**

- The titles confer an estate in fee simple. The property has two Telstra infrastructure easements as noted herein. Both easements located adjacent the northern and rear boundary are free from existing improvements but however need to be taken into consideration for redevelopment proposals.
- The land has a regular shape and falls to its rear boundary and has a moderate cross fall.
- The land has not been subject to any contaminating use and is not identified as being flood affected.
- The New Spring Hill Neighbourhood Plan due for gazettal in July 2016 provides for mixed use development on the site up to 30 storeys. This new planning scheme will significantly increase primarily the residential density and amenity of Spring Hill in the short to medium term.
- The use of the land for commercial office purposes is inconsistent with the highest and best use of high rise mixed use development.
- The improvements provide (in our opinion) B minus accommodation.
- The property does not have a NABERS energy rating.

### **Leasing and Cash Flow**

- The property is fully leased to Commonwealth of Australia providing a high quality security of rental return until the amended lease expiry in March 2017.
- The subject is proposed to be redeveloped so its WALE of 1.64 years is considered a positive. In the event that redevelopment is delayed or does not proceed the asset can be readily re-let given its standard of accommodation, uniform floor plates and location. However some internal cosmetic refurbishment may be required to enhance leasing prospects.
- In our opinion the current passing rental is above market by \$372,539 pa gross.
- The outgoings are considered consistent with industry benchmarks.

### **Investment**

- The subject has the following positive features for prospective purchasers: mixed use development potential up to 30 storeys, a lease expiry in April 2017, high yielding holding income and sound existing asset quality with flexibility to re-let the property if market demand weakens for development product.
- The property is offered to the market would sell within a six month period if professionally marketed.
- The most likely purchaser would be a private investor or developer.

### **Asset Management**

- The property requires professional management although it is not considered to be management intensive.