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**WELCOME STRANGER MINING LIMITED**  
**ACN 007 670 386**

**Amended Notice of General Meeting**

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**A General Meeting of the Company will be held  
at Suite 904, 37 Bligh Street, Sydney on 3 November 2015  
at 10.30 am (Sydney time) (General Meeting)**

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

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 02 95718300.*

# Welcome Stranger Mining Limited

## Notice of General Meeting

**Notice is hereby given** that a General Meeting of Shareholders of Welcome Stranger Mining Limited (**Company**) will be held at Suite 904, 37 Bligh Street, Sydney on 3 November 2015 at 10.30 am (Sydney Time) (**General Meeting**).

The Explanatory Memorandum to this Notice of General Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice of General Meeting.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## Agenda

### **Resolution 1 - Issue of Shares and Options to raise capital**

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

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 50,000,000 Shares and 50,000,000 Offer Options as set out in the Explanatory Memorandum is approved”.*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by:

- (a) any person whose votes on any of Resolutions 3-7 (inclusive) must be disregarded;
- (b) any person who may participate in the proposed issue;
- (c) 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
- (d) any of the Associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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.

### **Resolution 2 – Change of Company Name**

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

*“That, subject to and conditional on the passing of all Resolutions, the name of the Company be changed to Riddock International Limited”.*

This Resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, attorney or representative, by members who are entitled to vote on the resolution, are voted in favour.

### **Resolution 3 – Change in Nature and Scale of the Company’s Activities**

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

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, the acquisition of all of the issued shares in Ye Eun Property Development Limited and the proposed significant change in the nature and scale of the Company’s activities as set out in the Explanatory Memorandum is approved.”*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by:

- (a) any person whose votes on any of Resolutions 1, 4, 5, 6 and 7 must be disregarded;
  - (b) 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 will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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.

### **Resolution 4 - Issue of Shares to Vendors**

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

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of up to 835,000,000 Shares to the Vendors on the terms and conditions set out in the Explanatory Memorandum is approved.”*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by:

- (a) the Vendors;
- (b) any person whose votes on any of Resolutions 1, 3, 5, 6 and 7 must be disregarded;
- (c) any other 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
- (d) any Associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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.

## **Resolution 5 - Issue of Shares to Hermes and HBO**

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

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of 160,000,000 Shares to Hermes Capital Limited and HBO International Global Limited on the terms and conditions set out in the Explanatory Memorandum is approved.”*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by:

- (a) Hermes Capital Limited and HBO International Global Limited;
- (b) any person whose votes on any of Resolutions 1, 3, 4, 6 and 7 must be disregarded;
- (c) any other 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
- (d) any Associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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.

## **Resolution 6 - Issue of Shares to Noteholders**

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

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of 110,000,000 Shares to the Noteholders on the terms and conditions set out in the Explanatory Memorandum is approved.”*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by:

- (a) the Noteholders;
- (b) any person whose votes on any of Resolutions 1, 3, 4, 5 and 7 must be disregarded;
- (c) any other 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

(d) any Associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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.

### **Resolution 7 - Issue of Options to HBO International Global Limited**

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

*“That, subject to and conditional on the passing of all Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 220,000,000 Options to the HBO International Global Limited on the terms and conditions set out in the Explanatory Memorandum is approved.”*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by:

- (a) HBO;
- (b) any person whose votes on any of Resolutions 1 and 3, 4, 5 and 6 must be disregarded;
- (c) any other 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
- (d) any Associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the 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.

#### **By order of the Board**

Graeme Hogan  
Company Secretary  
Dated: 28 October 2015

## Voting Eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders of the Company on 1 November 2015 at 10.30am (Sydney time).

## **Voting in Person**

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To vote in person, attend the General Meeting at the time, date and place set out on page 1.

## **Voting by Proxy**

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

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

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

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at Suite 904, 37 Bligh Street, Sydney on 3 November 2015 at 10.30 am (Sydney time).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Transaction Summary and relevant considerations for Shareholders
Section 3:	Action to be taken by Shareholders
Section 4:	Interdependence of Resolutions
Section 5:	Resolution 1 – Issue of Shares and Options to raise capital
Section 6:	Resolution 2 – Change of Company Name
Section 7:	Resolution 3 – Change in the Nature and Scale of Activities of the Company
Section 8:	Resolution 4 – Issue of Shares to the Vendors
Section 9:	Resolution 5 - Issue of Shares to Hermes and HBO
Section 10:	Resolution 6 - Issue of Shares to Noteholders
Section 11:	Resolution 7 – Issue of Options to HBO
Appendix:	Pro Forma Balance Sheet
Schedule 1:	Definitions

## 2. Transaction Summary and Relevant Considerations for Shareholders

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### 2.1 Purchase Agreement

As announced to the ASX on 11 September 2015, WSE entered into a share sale and purchase agreement (**Purchase Agreement**) with the Vendors in relation to the acquisition of all of the issued shares (**Ye Eun Shares**) in Ye Eun Property Development Limited (**Ye Eun**), a company incorporated in Hong Kong. The consideration payable for the acquisition is \$167 million to be satisfied wholly by the issue of 835 million Shares by WSE.

The business activity of Ye Eun (**Ye Eun Business**) is the operation and development of a columbarium and memorial park (the "Park") in South Korea. The Park is located about 60 minutes' drive from Seoul CBD. A columbarium is a place for the respectful and public storage of urns holding a deceased's cremated remains. Ye Eun's revenue from the Park's business is earned from the sale of cremation sites, cremation and praying services for the deceased, annual maintenance fees of the storage of ashes, rental of stalls to vendors of flowers and

other prayer products. The Park covers 10.6 hectares and the first stage of its development has been completed. There is a further 6.9 hectares to be developed in stage 2 to be completed by 2019 and stage 3 thereafter. Ye Eun intends to acquire other memorial parks in Korea and to expand into the development of elderly services in Asia. Further information on Ye Eun's business operations is set out in Section 2.13 below.

The Park is owned by Yeaeun Memorial Park, a wholly owned Korean subsidiary of Ye Eun.

Under the Purchase Agreement, WSE will acquire 100% of the issued shares in Ye Eun from Ye Eun's shareholders (**Vendors**). The consideration for the purchase consists wholly of the issue of Shares. The consideration for the acquisition will be the issue of 835,000,000 Shares (**Consideration Shares**) at an issue price of 20c per Share on completion of the Purchase Agreement. The Consideration Shares will be issued to the Vendors (see section 8 below).

Completion of the Purchase Agreement is subject to the satisfaction or waiver in accordance with the Purchase Agreement of various conditions precedent. They include:

- (a) all the Resolutions being passed at the General Meeting;
- (b) completion of the capital raising under the Offer (see Section 2.3 for further details); and
- (c) WSE obtaining all necessary regulatory approvals required in connection with the Transaction, including confirmation by ASX that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (see Section 8 for further details).

The Purchase Agreement includes:

- (a) an acknowledgement by the Vendors and WSE that ASX may require that some or all of the Consideration Shares to be issued to them be classified as ASX Restricted Securities for such escrow period as ASX specifies; and
- (b) an undertaking by the Vendors that they will enter into a restriction agreement in the form of Appendix 9A of the ASX Listing Rules in respect of the Consideration Shares to be issued to them which are classified as ASX Restricted Securities for such escrow period as ASX specifies.

Subject to the satisfaction or waiver of the conditions precedent (other than those which cannot be waived), it is presently anticipated that Completion will occur on or around 20 November 2015.

## 2.2 **Restricted Securities**

As mentioned in Section 2.1, the Purchase Agreement includes:

- (a) an acknowledgement by the Vendors and WSE that ASX may require that some or all of the Consideration Shares to be issued to them be classified as ASX Restricted Securities for such escrow period as ASX specifies; and
- (b) an undertaking by each Vendor that it will enter into a restriction agreement in the form of Appendix 9A of the ASX Listing Rules in respect of the Consideration Shares to be issued to it which are classified as ASX Restricted Securities for such escrow period as ASX specifies.

The Company has made an application to the ASX under Listing Rule 9.1.3 that it will not require any of the Consideration Shares, the Noteholder Shares, the Hermes Shares and the HBO Shares to be classified as Restricted Securities pursuant to the Listing Rules.



Under the escrow conditions attaching to ASX Restricted Securities, during the applicable escrow periods a Permitted Security Interest may not be created in the ASX Restricted Securities and the holder of them will not be entitled to participate in any return of capital made by the Company.

### 2.3 Capital Raising

In order to assist the funding of the development and expansion of WSE after the acquisition of Ye Eun, an offer of not less than 25 million Shares and not more than 50 million Shares with attaching free options (Offer Options) at an issue price of 20c per Share under a prospectus (**Offer**) is proposed to raise not less than \$5 million and not more than \$10 million (before issue costs). Further details of this capital raising, including the proposed use of the funds raised, are set out in Section 5.

The Offer Options are to be issued free to all Shareholders who subscribe for Offer Shares under the Prospectus on the basis of one Offer Option for each Offer Share issued.

### 2.4 Change of Name

As the Ye Eun Business will be the main undertaking of the Company after Completion, it is proposed that the name of the Company be changed to Riddock International Limited (see Section 6 for further details).

### 2.5 Issue of Shares to HBO and Hermes

Ye Eun has been assisted in entering into the transaction with WSE by Hermes Capital Limited ("Hermes") and HBO International Global Limited ("HBO"). The assistance was provided by Hermes and HBO pursuant to corporate advisory agreements (CAAs) each of those companies entered into with Hermes and HBO. The main service provided under the respective CAAs was the sourcing of a purchaser (WSE) which could raise and provide the funds necessary to develop the Park and its facilities. The services provided by Hermes and HBO include the negotiation of the terms of the Purchase Agreement, the management of the Transaction and the marketing and management of the Offer.

Hermes Capital is an Asia-oriented investment banking and management firm headquartered in Hong Kong with an office in Singapore. It provides a wide range of financial consulting services focusing mainly in Asia-Pacific region to a substantial and diversified client base including corporations, financial institutions, governments and high-net-worth individuals. HBO is an investment holding and consultancy company based in Hong Kong. Mr Kim Kwang Seun is the founder and principal shareholder of the firm. HBO specialises in assisting Korean companies establishing themselves in Asia. Its clients are generally companies with established businesses which are seeking to tap the capital markets in Asia to expand their operations. The terms of the CAAs provide that in consideration of Hermes and HBO successfully arranging a transaction, Ye Eun must procure that, at the time of issue of the Consideration Shares, the purchaser (WSE) must:

- (a) pay Hermes \$1 million to be satisfied by the issue of 100 million shares ("Hermes Shares") at an issue price of 0.5c per share plus \$500,000 in cash; and
- (b) pay HBO \$300,000 to be satisfied by the issue of 60 million shares ("HBO Shares") at an issue price of 0.5c per share.

WSE has agreed to issue the Shares to Hermes and HBO.

### 2.6 Issue of Shares for Notes

As announced to the ASX on 11 September 2015, WSE raised \$550,000 pursuant to the issue of notes ("Notes") to investors ("Noteholders"). The terms of the Notes are that, subject to shareholder approval, 110,000,000 Shares ("Noteholder Shares") will be issued to the Noteholders at Completion. Upon issue of the Noteholder Shares, HBO International Global Limited be issued with 220,000,000 options ("Options"). Each Option may be converted to a

Share at any time by HBO International Global Limited in the following four years on payment to WSE of the subscription price of 20c per share.

## 2.7 Capital structure following the proposed issue of Shares

The following table shows the effect on the issued share capital of WSE after completion of the Transaction based on the alternative scenarios indicated:

<b>Effect on issued Shares</b>	<b>No. of Shares</b>
Shares currently on issue	116,079,370
Consideration Shares to be issued on Completion	835,000,000
Maximum number of Offer Shares to be issued pursuant to Resolution 1	50,000,000
Hermes and HBO Shares to be issued on Completion	160,000,000
Number of Noteholder Shares to be issued	110,000,000
<b>Balance after issue of the Consideration, Noteholder, Offer, Hermes and HBO Shares</b>	<b>1,271,079,370</b>
Offer Options to be issued on Completion	50,000,000
<b>Balance after issue of the Consideration, Noteholder, Offer, Hermes and HBO Shares and Conversion of Offer Options</b>	<b>1,321,079,370</b>
<b>Options to be issued to HBO on Conversion of Notes</b>	<b>220,000,000</b>
<b>Balance after issue of the Consideration, Noteholder, Offer, Hermes and HBO Shares and Conversion of Offer Options and Options to HBO</b>	<b>1,541,079,370</b>

## 2.8 Collective Shareholdings

The following table shows the collective Shareholdings of the Vendors, HBO, Hermes and Noteholders after completion of the Transaction based on the alternative scenarios indicated:

	<b>Number of Shares currently on issue</b>	<b>Total number of Shares on issue after issue of the Consideration Shares, the Noteholder Shares, the Hermes Shares, the HBO Shares and the maximum number of Offer Shares</b>	<b>Total number of Shares on issue after issue of the Consideration Shares, the Noteholder Shares, the Hermes Shares, the HBO Shares and the minimum number of Offer Shares</b>
Total number of issued Shares	116,079,370	1,271,079,370	1,246,079,370
Voting power of Vendors, HBO, Hermes, and Noteholders	0%	86.93%	88.68%

## 2.9 Historical and Pro- Forma Balance Sheets

Set out in the Appendix to this Notice of Meeting is the summary historical Consolidated Balance Sheets for WSE and the Ye Eun Group respectively as at 30 June 2015 and summary Pro Forma Consolidated Balance Sheet for the Company assuming the acquisition of Ye Eun Group and completion of the Offer occurred on 30 June 2015. These financial statements have not been reviewed by a registered company auditor or an independent accounting firm. A review of the pro forma accounts will be undertaken by a registered company auditor or an independent accounting firm in relation to the accounts to be included in the prospectus to be prepared by the Company for the purposes of the re-complying with the Listing Rules.

## 2.10 **Acquisition**

In January 2015, the Company's assets comprised a number of residual assets from its businesses which it no longer carried on. None of these investments produced income for the Company and the Board considered they were unlikely to create Shareholder value in the foreseeable future.

Accordingly, the Board decided to explore new business opportunities. For the reasons outlined in Section 2.11 below, the Board considers that the Ye Eun Acquisition represents a significant investment opportunity for the Company and its Shareholders which has the potential to increase Shareholder value.

## 2.11 **Advantages of the Ye Eun Acquisition**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions relating to the approval and implementation of the Transaction:

- (a) the Ye Eun Acquisition represents a significant investment opportunity for the Company to diversify its interests;
- (b) the Company will acquire a profitable new business which has the potential to increase Shareholder value and provide the Company with a viable future business;
- (c) the Company will increase its scale and become a significant player in the Korean market;
- (d) the Transaction includes a significant capital raising that will provide the necessary working capital to facilitate the continued growth of the operations of the Company and Ye Eun;
- (e) the Board considers that the current board and management team of Ye Eun possess the experience and skills required to successfully expand the Company;
- (f) the Company has limited capital and income producing assets to continue without the Ye Eun Acquisition and associated capital raising and will have difficulty in creating significant long-term value for Shareholders in its current state; and
- (g) the Transaction will increase the market capitalisation of the Company and should increase the liquidity of the Shares. The escrow arrangements relating to the Shares to be issued to the Vendors outlined in Section 2.2 may impact liquidity – see the liquidity and realisation risk factor outlined in Section 2.14 below.

## 2.12 **Disadvantages of the Ye Eun Acquisition**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1-6 (inclusive) relating to the approval and implementation of the Transaction:

- (a) the Ye Eun Acquisition will result in a change in the nature and scale of the Company's activities, which may not be consistent with the objectives of all Shareholders;
- (b) following completion of the Ye Eun Acquisition, the Vendors will collectively be the largest Shareholders of the Company and they will have the ability to significantly influence the Company;
- (c) the Ye Eun Acquisition and the associated issue of Shares under the Offer will have a significant dilutionary effect on the shareholdings of the Shareholders;
- (d) the Transaction may potentially reduce the likelihood of a takeover bid being made for the Company as a result of the interests of the Vendors after Completion;
- (e) more Shares on issue in the Company may result in greater volatility of trading in the Shares; and
- (f) there are inherent risks associated with the Ye Eun Acquisition. Some of these risks are outlined in Section 2.14 below.

## 2.13 About Ye Eun

### (a) Background

Ye Eun has owned and operated a crematorium, columbarium and memorial park (the "Park") in South Korea since 2003. A columbarium is a place for the respectful and public storage of urns holding a deceased's cremated remains. The current facilities contain 65,000 ashes storage spaces ("Units") of which 25,000 Units have been sold.

The Park is located 84 km south east of the Seoul CBD.

The total land area owned by Ye Eun on which the Park is located is 10.6 hectares. The land used in the Park's current operations is 3.7 hectares. There is a further 6.9 hectares to be developed in stage 2 to be completed by 2019 and stage 3 thereafter.

The funds raised from the issue of shares under the offer will be substantially utilised for the development of the Park to provide space, infrastructure and services for the installation of 30,000 additional Units.

A market valuation of the property was undertaken by Tongil Appraisal Co., Ltd as at 20 July 2015. The valuation was stated to be Korean Won 140,000,000,000 (approximately \$A167 million).

### (b) Business Model

The Park's operating revenue is earned from:

- (i) Sale of ashes storage spaces.
- (ii) Cremation and praying services for the deceased.
- (iii) Annual maintenance fees of the storage of ashes.
- (iv) Rental of stalls to vendors of flowers and other prayer products.

Until 2014, the sales staff focused on two types of sales of ashes storage spaces:

- (i) General sales to the public through funerals halls and crematoriums.
- (ii) Group sales to existing customers by promoting interment of the whole ancestry under one roof. It includes sales through religious groups and affiliate support institutions.

As a result of a sales strategy change in 2014, sales of Units have significantly increased. The strategy change involved the creation a dedicated team to focus on

channel promotions to promote the “Cradle to Grave” concept. This means targeting large corporations to provide the services of the Park as a family welfare benefit for their staff. This strategy has been a success. A single sale of 1,500 Units was made to one corporation and further bulk sales to other corporations and government departments are now expected. This strategy relies on the Confucius culture that providing compassion to staff is desirable and necessary attribute that most Asian customs appreciate. Ye Eun is assisting corporations to promote the concept of their employees’ whole family being housed together in death. Ye Eun believes that this strategy has resulted in sales increasing to Korean Won 5,464 million in the half year to June 2015 compared to Korean Won 552 million in the 12 month period to December 2014.

This increase in sales is expected to result in the current Units available in the Park being fully sold by 2019. The directors of Ye Eun therefore believe it is necessary to commence Phase 2 of the development of the Park to develop more Units for sale.

The funds raised from the issue of shares under the Offer will be utilised for the next phase of the development of the Park, which will include an additional 30,000 Units as well as an extensive expansion of the other facilities in the Park to support the increase in the number of Units. When fully developed, it is likely the Park will provide 300,000 Units.

Ye Eun intends to acquire other memorial parks in Korea. The management have entered with discussion with other parks with a view to expand to become a leader in this sector.

(c) Market

Since the 1980s, the government of South Korea has been encouraging a change in funeral practices from burial to cremation. This is largely driven by the need to conserve land for its expanding population of over 50 million people. Laws now require that any grave created after 2000, must be removed within 60 years.

State-owned companies in the death care services industry predominantly occupy a substantial part of the market share. State-owned entities are mostly regional and typically offer only traditional and basic services, such as the transfer of the remains, ceremony arrangements, refrigeration of the remains, cremation, sales of urns, wreaths and other related products, and sale of burial lots. They are under the control of civil affairs agencies and tend to provide welfare services to meet the demand of low income families.

Private sector companies have diversified their services. As a result of offering more personalized and higher quality services, the price range of services offered by private death care service providers is generally wider than that of state-owned companies. The emergence of private sector companies in the industry has brought a large number of changes to the industry with regard to business models and management systems.

The death care services industry in Korea is highly fragmented on a nationwide scale with the vast majority of services providers being relatively small in size and having very limited brand recognition. The industry is likely to experience continuing fragmentation due to the increasing number of death care services providers in the market. Death care is mostly a regional business, as the majority of death care services providers tend to serve only local consumers.

(d) Operations

Ye Eun’s business is managed by its employees from offices located at the Park. The chief executive is Mr Shin Jin Dae. There is a total of 11 staff in the Park which include

sales representatives and administrative staff. The infrastructure at the Park is predominantly maintained by the use of contractors.

## 2.14 Risk Factors

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of the key investments risks that the Company is exposed to if the Ye Eun Acquisition proceeds are set out below.

- **Competition.** Ye Eun may face increasing and intense competition from the existing memorial parks in the region. The entry of new players into the industry is unlikely as government regulations make it difficult for new entrants to enter the market.

The existing parks in the region may cut prices to gain market share and they may seek to improve the functionality of their services, may offer more innovative services or fee arrangements.

- **Loss of revenue due to relationships with sources of revenue**  
Ye Eun relies upon relationships with agents, sale channels and government corporations in all markets it operates. It is possible that referrals could be withheld due to disputes and the relationship with Ye Eun terminated.
- **Industry Risk**  
There is risk that regulatory codes and requirements could change, adding complexity and cost to the business. Ye Eun might not be able to implement other phases in the development of the Park to comply with new regulations. Non-compliant marketing could cause problems with Ye Eun's future sales and development.
- **Reliance on key personnel**  
Ye Eun's business development has been, and is likely to continue to be, largely dependent upon the expertise and effectiveness of its senior management and experienced staff. The loss of the services of senior management personnel without suitable replacements or the inability to attract and retain qualified personnel can adversely affect performance. Competition for skilled personnel has been and is expected to continue to be high for the foreseeable future, potentially resulting in higher personnel turnover and higher costs. If Ye Eun is not able to attract and retain sufficient skilled personnel, it may not be able to meet expanding customer demand, which could result in less revenue.
- **Increased labour costs**  
Labour costs account for a substantial amount of Ye Eun's costs. Increased labour costs will have a material adverse effect on the financial performance of Ye Eun.
- **Growth risks**  
Future operating results will depend on the Company's ability to manage its growth including the expansion of its services into new sale channels, development of unused land at the Park, the ability to control costs, implement and improve operational and financial control systems and to hire, expand, train and manage employees. Any unexpected decline in the growth of revenue without a corresponding decline in the growth of operating costs and the inability to manage growth effectively will result in the operating results being adversely affected.
- **Acquisitions**  
If Ye Eun undertakes any future acquisitions of assets or businesses, it may face risks in integrating those new assets or businesses. An acquisition may not perform to the level anticipated. A failure to identify and successfully execute suitable acquisitions may have an adverse effect on the financial performance and/or financial position of Ye Eun.

- **Disruption of business operations**  
Ye Eun is exposed to a range of operational risks including external services failure, industrial action or disputes and natural disasters. A disruption to the operations of Ye Eun may have an adverse impact on the financial performance and/or financial position of Ye Eun.
- **Inability of Ye Eun to secure funding**  
Ye Eun might have further capital requirements for future major capital expenditure and acquisitions. There is a risk may not be able to secure sufficient debt and equity funding on acceptable terms. The existing working capital and the issue proceeds of the Offer may not be sufficient to fully fund the estimated costs of implementing all these plans. Additional debt or equity to fund such expansion plans may be required.
- **Liquidity and Realisation**  
There is no guarantee that an active market for the Shares will develop once the Shares are quoted on ASX.
- **Foreign Currency exchange**  
The business entity is located in South Korea, thus the revenues earned will be exposed to currency fluctuation between the Australian dollars and the Korean won.

- **Re-Quotation of Shares on ASX**

As the Ye Eun Acquisition constitutes a significant change in the nature and scale of the Company's activities, the Company must re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of the ASX. Trading in the Shares will be suspended on the ASX from the day of the General Meeting until ASX approves the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules (see Section 7 for further details). There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

- **Contractual risk – Purchase Agreement.** As noted in Section 2.1, completion of the Ye Eun Acquisition is subject to the satisfaction of various conditions precedent, including confirmation by ASX that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

If the Ye Eun Acquisition is not completed, WSE will incur third party costs relating to advisors and other costs, without any material benefit being achieved.

- **Economic conditions.** The financial performance and value of the Company may be influenced by various economic factors such as inflation, interest rates, domestic and international economic growth, taxation policies, legislative change, political stability, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, exchange rate fluctuations and acts of terrorism.

## 2.15 **Future of the Company if the Transaction is not approved by Shareholders**

If Resolutions 1 – 7 are not passed and the Transaction does not proceed:

- (a) the Company will have limited cash resources and growth opportunities;
- (b) the Shares may be suspended from quotation on the ASX; and
- (c) the Board will need to explore alternatives to expand the Company and increase Shareholder value.

## 2.16 Recommendations of the Directors

Based on the information available, including that contained in this Explanatory Memorandum and the advantages and disadvantages outlined above, all of the Directors consider that the Ye Eun Acquisition is in the best interests of the Company and its Shareholders and recommend that Shareholders vote in favour of Resolutions 1- 7.

## 2.17 Board Structure

The Board will not change on Completion. The current directors of Rizwan Alikhan, Rehan Alikhan and Poay Meng Tan will continue.

## 2.18 Costs of the Transaction

It is estimated that up to \$928,006 in expenses will be incurred or payable by the Company in respect of legal, accounting, commissions, printing, ASIC and ASX fees and other miscellaneous costs in connection with the Transaction. The total estimated costs are set out in the table below:

	Minimum subscription under the Offer of \$5m	Maximum subscription under the Offer of \$10m
Broker/Manager commissions/management fees	300,000	600,000
Investigating Accountant Fees	20,000	20,000
Legal fees	100,000	100,000
Printing and distribution	10,000	10,000
ASIC fees	2,320	2,320
ASX fees	194,686	196,686
<b>Total</b>	<b>627,006</b>	<b>929,006</b>

## 3. Action to be taken by Shareholders

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Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.



## 4. Interdependence of Resolutions

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All Resolutions relate to the Ye Eun Acquisition. Accordingly, all Resolutions are interdependent on each of the other Resolutions being passed. Unless all Resolutions are passed, it will be deemed that none of the Resolutions have been passed.

## 5. Resolution 1 - Issue of Shares to raise capital

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### 5.1 Issue of shares

A condition precedent to Completion is that the Company raise a minimum of \$5 million and a maximum of \$10 million (before costs) from the issue of not less than 25 million and not more than 50 million new Shares (**Offer Shares**).

The Offer Shares are to be issued at 20c per Share under a prospectus to be issued by the Company (**Prospectus**).

The Offer Options are to be issued to all Shareholders who subscribe for Offer Shares under the Prospectus on the basis of one Offer Option for each Offer Share issued.

The issue of Shares and Offer Options pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires WSE to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has complied with those requirements.

ASX Listing Rule 7.1 provides that the Company must not issue, or agree to issue, equity securities (which includes Shares and options) in any 12 month period which amount to more than 15% of its Shares on issue at the commencement of that 12 month period, unless one of the exceptions to ASX Listing Rule 7.1 applies or Shareholder approval is obtained (**15%/12 months rule**).

The Offer Shares and Offer Options to be issued under the Prospectus will exceed 15% of the number of Shares on issue at the beginning of the preceding 12 month period. Accordingly, the approval of Shareholders is required for the issue of the Offer Shares and Offer Options.

The terms of the Offer Options are as follows:

(a) Each Offer Option entitles its holder to subscribe in cash for one fully paid ordinary share in the Company at an exercise price of 30c per share.

(b) Each Offer Option is exercisable at any time prior to the third anniversary of their issue ("Expiry Date"). Any Option that has not been exercised prior to the Expiry Date automatically lapses.

(c) The Company will not apply for official quotation by ASX of the Options.

(d) Subject to the Corporations Act, the ASX Listing Rules, and the constitution of the Company, each Option is freely transferable.

(e) Shares issued upon the exercise of the Options will rank pari passu with the Company's existing Shares.

(f) The Company will apply for official quotation by ASX of the Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.

(h) The Options will not give any right to participate in dividends unless and until Shares are issued upon exercise of the relevant Options.

(i) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the life of the Options.

(j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the rights attaching to the Options or both will be reconstructed in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

(k) If there is any inconsistency between any of the preceding terms and conditions and the ASX Listing Rules, then the ASX Listing Rules prevail to the extent of the inconsistency

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) Up to 50,000,000 Shares and 50,000,000 Offer Options will be issued.
- (b) Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, all of the Offer Shares and Offer Options will be issued and allotted on a day within 3 months after the date of the General Meeting.
- (c) The Shares are to be issued at 20c per Share.
- (d) The Offer Options will be issued for nil consideration. The Offer Options can be converted to Shares at any time before the third anniversary of their issue on payment of 30c per share to the Company.
- (e) The Offer Shares and Offer Options will be issued to subscribers under the Prospectus. None of the subscribers will be a related party of the Company.
- (f) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (g) The funds raised by the issue of the Offer Shares will be utilised in the development of the next phase of the Park (including an additional 30,000 Units and extensive expansion of the other facilities in the Park), the acquisition of other memorial parks in Korea, working capital and the completion the Ye Eun Acquisition. The funds raised by the issue of the Shares on exercise of the Offer Options will be utilised in the development of the Park, the acquisition of other memorial parks in Korea and working capital.

## 5.2 Use of funds

The Company intends to apply funds raised from the issue of the Offer Shares, together with existing cash reserves, following re-quotations on ASX as follows<sup>1</sup>:

	<b>Minimum Subscription \$5,000,000 (\$)</b>	<b>Maximum Subscription \$10,000,000 (\$)</b>
<b>Funds Available</b>		
Existing cash reserves of WSE	120,000	120,000
Existing cash reserves of Ye Eun	6,214,000	6,214,000
Funds raised from the Offer	5,000,000	10,000,000
<b>TOTAL</b>	<b>11,334,000</b>	<b>16,334,000</b>

### Allocation of funds

Cash expenses associated with the Offer	627,006	929,006
Phase 2 Park expansion costs	4,000,000	4,000,000
Acquisitions	5,000,000	5,000,000
Working capital and administration costs	1,707,994	6,405,994
<b>TOTAL</b>	<b>11,334,000</b>	<b>16,334,000</b>

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## 6. Resolution 2 – Change of Company Name

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The Directors consider it prudent to change the Company name from “WSE Limited” to “Riddock International Limited” to reflect the name of the acquired business.

If all the Resolutions are passed, the Company will lodge a copy of Resolution 3 with ASIC shortly after Completion and the change of name will take effect from the date ASIC alters the Company's registration details.

## 7. Resolution 3 – Change in the Nature and Scale of Activities of the Company

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As a result of the Ye Eun Acquisition, the nature and scale of the Company's activities will change significantly and the Ye Eun business will become the main undertaking of the Company.

ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the Acquisition, it requires the Company to:

- (a) obtain the approval of Shareholders; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval under Resolution 3 for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

In addition, as part of the process for re-compliance with the admission requirements, trading in the Company's Shares on the ASX will be suspended from the day of the General Meeting (assuming all Resolutions are passed) until ASX is satisfied that the requirements in Chapters 1 and 2 of the ASX Listing Rules have been met. Some of the key requirements of Chapters 1 and 2 are:

- (a) a prospectus must be issued and lodged with ASIC;
- (b) the Company must satisfy the shareholder spread requirements relating to the minimum number of shareholders in the Company and the minimum value of the shareholdings of those shareholders; and
- (c) the Company must satisfy the "profits test" or "assets test" as set out in ASX Listing Rule 1.3.

In order to meet these requirements, the Company will be issuing the Prospectus (see Resolution 1).

## **8. Resolution 4 – Issue of Shares to the Vendors**

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The issue of Shares pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires WSE to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has complied with those requirements.

Resolution 4 seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of 835,000,000 Shares to the Vendors as the consideration for the Ye Eun Acquisition.

The issue price of the Shares will be deemed to be 20c. No funds will be raised from the issue of the Shares as they are being issued for nil cash consideration but in lieu of cash payment for the Ye Eun Acquisition.

(a) Section 208 of Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

b) give the benefit within fifteen (15) months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Shares as there are no related parties being provided with a financial benefit.

(b) Listing Rule 10.11

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders. A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and a person who believes or has reasonable grounds to believe that he or she is likely to become a director of the public company at any time in the future.

Shares are not proposed to be issued to any related parties and therefore, approval is not required under Listing Rule 10.11.

(c) Specific information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires this Notice to include the following information:

a) The Shares will be issued to the Vendors.

b) The number of Shares to be issued will be 835,000,000.

c) The Shares will all be issued on a day within three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

d) The Shares will be issued at a deemed issue price of 20c.

e) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.

- f) A voting exclusion statement is included in the Notice of Meeting for Resolution 4.
- g) No funds will be raised from the issue of the Shares as they are being issued for nil cash consideration as part of the consideration for the Yu Eun Acquisition.

The following table sets out details of the Vendors voting power in the Company:

<b>Name</b>	<b>Number of Consideration Shares to be issued</b>	<b>Voting power after issue of the Consideration Shares, the Noteholder Shares, the Hermes Shares, the HBO Shares and the maximum number of Offer Shares (see the table in Section 2.8)</b>
Shin Jin Dae	250,000,000	19.67%
Tae Hyun	100,000,000	7.95%
Jian Ru Dang	195,000,000	18.67%
Wise Hand Solution Pte Ltd	95,000,000	3.58%
SHS International Global Limited	195,000,000	15.47
<b>Total</b>	<b>835,000,000</b>	<b>65.69%</b>

## **9. Resolution 5 – Issue of Shares to Hermes and HBO**

The issue of Shares pursuant to this Resolution is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires WSE to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has satisfied those requirements.

Ye Eun entered into corporate advisory agreements (CAAs) with HBO International Global Limited (“HBO”) and Hermes Capital Limited (“Hermes”) under which HBO and Hermes have provided various consultancy services to enable Ye Eun to participate in the Transaction. These services are principally assistance in sourcing a purchaser (WSE), the negotiation of the terms of the Purchase Agreement, the management of the Transaction and the marketing and management of the Offer.

The CAAs provide that Ye Eun must procure that, at the time of issue of the Consideration Shares, WSE will:

- (a) pay Hermes \$1 million to be satisfied by the issue of 100 million shares (“Hermes Shares”) at a deemed issue price of 0.5c per share plus \$500,000 in cash; and
- (b) pay HBO \$300,000 to be satisfied by the issue of 60 million shares (“HBO Shares”) at a deemed issue price of 0.5c per share.

The Shares to be issued under Resolution 5 will be issued at an issue price of 0.5c per Share.

ASX Listing Rule 7.3 requires this Notice to include the following information:

- (a) 160,000,000 fully paid Shares will be issued.

- (b) Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Shares will all be issued and allotted on a day no later than 3 months after the date of the General Meeting.
- (c) The Shares are to be issued at a deemed issue price 0.5c per Share as no cash is being raised on issue.
- (d) Hermes will be allotted 100 million Shares and HBO will be allotted 60 million Shares.
- (e) The Shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid Shares on issue.
- (f) No funds will be raised by the issue of the Shares.

## **10. Resolution 6 - Issue of Shares to Noteholders**

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The issue of Shares pursuant to the Notes (if approved) is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires WSE to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has satisfied those requirements.

ASX Listing Rule 7.1 provides that the Company must not issue, or agree to issue, equity securities (which includes Shares and options) in any 12 month period which amount to more than 15% of its Shares on issue at the commencement of that 12 month period, unless one of the exceptions to ASX Listing Rule 7.1 applies or Shareholder approval is obtained (**15%/12 months rule**).

The Noteholder Shares to be issued to the Noteholders will exceed 15% of the number of Shares on issue at the beginning of the preceding 12 month period. Accordingly, the approval of Shareholders is required for the issue of the Shares.

Resolution 6 seeks Shareholder approval for the issue of 110,000,000 Shares to the Noteholders as announced to the ASX on 11 September 2015 for an aggregate subscription amount of \$550,000. If shareholder approval is not obtained, the Notes must be repaid on 1 March 2016.

If the Noteholder Shares are issued on Completion, HBO International Global Limited will at that time be issued with Options to subscribe for up to 220,000,000 Shares on or before the fourth anniversary of the Completion Date on payment of 20c per share (see Section 11).

If Shareholder approval is obtained under Resolution 6, the issue of Noteholder Shares will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.

The following information is provided pursuant to the ASX Listing Rules:

1. The Notes were issued to the Noteholders on dates from 4 September 2015 for a total subscription price of \$550,000.
2. The issue price is \$0.005 (0.5c) per share. The maximum number of Shares that may be issued is 110,000,000.
3. The principal terms of the Notes are:
  - a. WSE will issue 110,000,000 Shares to the Noteholders upon the ASX re-admitting the shares of WSE to the official list of the ASX in accordance with the prospectus.

- b. The issue of the Shares will satisfy in full the amount outstanding under the Notes of \$550,000.
  - c. Upon issue of the Noteholder Shares, the Company will issue Options to HBO to subscribe for up to 220,000,000 Shares on or before the fourth anniversary of the Completion Date on payment of 20c per share.
4. The funds raised will be used for working capital requirements including the cost of preparation of this Notice of Meeting, the preparation of the proposed prospectus (including travel expenses and professional fees) and ASX listing fees payable on submission of the Company's application to the ASX for relisting.
  5. Subject to Shareholders approving the Resolution and to ASX confirming that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, the Shares will all be issued and allotted on a day no later than 3 months after the date of the General Meeting.
  6. The Shares will be issued to the following Noteholders, none of whom are related parties of WSE or Ye Eun:

<b>Noteholder</b>	<b>Number</b>
Jack Tang	1,000,000
Nirvana (2015) Consultancy & Services Pte Ltd	1,000,000
Ikegami Hiroshi	2,700,000
ICP Inc	6,667,000
Good Triumph International Limited	30,833,000
Seah Holdings Pte Ltd	55,000,000
Chang Chia Howe	1,600,000
Mustafa Dharmawa	800,000
Brian Sutanto	400,000
Jerrica Lee	1,000,000
Bernard Yaw	1,000,000
Victor Lee	250,000
Zheng Yuyu	250,000
Profit River International Limited	7,500,000
<b>TOTAL</b>	<b>110,000,000</b>

## 11. Resolution 7 - Issue of Options to HBO

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The issue of Options pursuant to the Notes (if approved) is conditional on ASX confirming that the Company has re-complied with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As ASX requires WSE to re-comply with the admission requirements under Listing Rule 11.1.3, Completion cannot take place until the ASX has confirmed that the Company has satisfied those requirements.

ASX Listing Rule 7.1 provides that the Company must not issue, or agree to issue, equity securities (which includes Shares and options) in any 12 month period which amount to more than 15% of its Shares on issue at the commencement of that 12 month period, unless one of the exceptions to ASX Listing Rule 7.1 applies or Shareholder approval is obtained **(15%/12 months rule)**.

The Options to be issued to HBO International Global Limited will exceed 15% of the number of Shares on issue at the beginning of the preceding 12 month period. Accordingly, the approval of Shareholders is required for the issue of the Options.

Resolution 7 seeks Shareholder approval for the issue of 220,000,000 Options to HBO International Global Limited as announced to the ASX on 11 September 2015.

The Options will only be issued if the Noteholder Shares are issued on Completion. The terms of the Options are:

(a) the Options will be issued to HBO International Global Limited at the time the Noteholder Shares are issued; and

(b) the Options permit HBO International Global Limited to subscribe for up to 220,000,000 Shares on or before the fourth anniversary of the Completion Date on payment to WSE of 20c per share.

If Shareholder approval is obtained under Resolution 7, the issue of Options and the Shares issued on exercise of the Options from the calculation of the 15% limit under ASX Listing Rule 7.1.

The following information is provided pursuant to the ASX Listing Rules:

1. The Options will be issued at the date of issue of the Noteholders Shares and in any event, within three months of the date of the meeting.
2. There is no issue price, the Options will be issued for no consideration.
3. The maximum number of Options that may be issued is 220,000,000.
4. The maximum number of Shares to be issued on exercise of the Options will be 220,000,000.
5. The funds raised on conversion of the Options will be used for working capital requirements.
6. The Options will be issued to HBO International Global Limited, which is not a related party of WSE or Ye Eun.



Pro forma balance sheet

Welcome Stranger Mining Limited	<u>Balance Sheet as at 30/06/15 Unaudited</u>	<u>Target's Unaudited A/cs</u>	<u>Adjustments</u>						<u>Reverse Acq'n</u>	<u>Elimination</u>	<u>Pro forma Consolidated Balance Sheet</u>
	<u>WSE</u>	<u>Yeaun 30/06/2015</u>	<u>Sub Event #1</u>	<u>Sub Event #2</u>	<u>Sub Event #3</u>	<u>Sub Event #4</u>	<u>Sub Event #5</u>	<u>Sub Event #6</u>			
<b>CURRENT ASSETS</b>											
Cash and Cash Equivalents	267,482	1,952	250,000	550,000	550,000	500,000		9,070,994			9,090,428
Trade and Other Receivables	12,555	6,100,307									6,112,862
Inventories	-	3,733,850									3,733,850
Other Current Assets	-	1,181									1,181
<b>TOTAL CURRENT ASSETS</b>	<b>280,037</b>	<b>9,837,290</b>	<b>250,000</b>	<b>550,000</b>	<b>550,000</b>	<b>500,000</b>	<b>-</b>	<b>9,070,994</b>	<b>-</b>	<b>-</b>	<b>18,938,321</b>
<b>NON CURRENT ASSETS</b>											
Property, plant and equipment	-	32,676									32,676
Intangible assets	1,482					1,300,000					1,301,482
Investment	-								167,000,000	167,000,000	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>-</b>	<b>34,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>167,000,000</b>	<b>167,000,000</b>	<b>1,334,157</b>
<b>TOTAL ASSETS</b>	<b>280,037</b>	<b>9,871,447</b>	<b>250,000</b>	<b>550,000</b>	<b>550,000</b>	<b>800,000</b>	<b>-</b>	<b>9,070,994</b>	<b>167,000,000</b>	<b>167,000,000</b>	<b>20,272,478</b>
<b>CURRENT LIABILITIES</b>											
Trade and other payables	294,208	301,303		346,535							248,976
Convertible Notes	161,465	-		161,465	550,000		550,000				-
Borrowings	342,000	116,196	300,000	42,000							116,196
<b>TOTAL CURRENT LIABILITIES</b>	<b>797,673</b>	<b>417,499</b>	<b>300,000</b>	<b>550,000</b>	<b>550,000</b>	<b>-</b>	<b>550,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>365,172</b>

Welcome Stranger Mining Limited	<u>Balance Sheet as at 30/06/15 Unaudited</u>	<u>Target's Unaudited A/cs</u>	<u>Sub Event #1</u>	<u>Sub Event #2</u>	<u>Sub Event #3</u>	<u>Sub Event #4</u>	<u>Sub Event #5</u>	<u>Sub Event #6</u>	<u>Reverse Acq'n</u>	<u>Elimination</u>	<u>Pro forma Consolidated Balance Sheet</u>
	<u>WSE</u>	<u>Yeaeun 30/06/2015</u>									
NON CURRENT LIABILITIES											
Long-term accrued expenses		<u>931,478</u>									<u>931,478</u>
Long-term borrowings		<u>9,310,312</u>									<u>9,310,312</u>
Provision for severance benefits		<u>100,496</u>									<u>100,496</u>
TOTAL NON CURRENT LIABILITIES	-	<u>10,342,286</u>	-	-	-	-	-	-	-	-	<u>10,342,286</u>
TOTAL LIABILITIES	<u>797,673</u>	<u>10,759,785</u>	<u>300,000</u>	<u>550,000</u>	<u>550,000</u>	-	<u>550,000</u>	-	-	-	<u>10,707,458</u>
NET ASSETS	<u>517,636</u>	<u>888,338</u>	<u>550,000</u>	-	-	<u>800,000</u>	<u>550,000</u>	<u>9,070,994</u>	<u>167,000,000</u>	<u>167,000,000</u>	<u>9,565,020</u>
EQUITY											
Contributed equity	<u>24,631,777</u>	<u>17</u>	<u>550,000</u>			<u>800,000</u>	<u>550,000</u>	<u>9,070,994</u>	<u>167,000,000</u>	<u>24,631,777</u>	<u>177,971,011</u>
Non-controlling Interest	-	-									-
Accumulated losses	<u>25,149,413</u>	<u>888,355</u>								<u>142,368,223</u>	<u>168,405,991</u>
TOTAL EQUITY	<u>517,636</u>	<u>888,338</u>	<u>550,000</u>	-	-	<u>800,000</u>	<u>550,000</u>	<u>9,070,994</u>	<u>167,000,000</u>	<u>167,000,000</u>	<u>9,565,020</u>

Subsequent Event #1	Issue of 110 million shares subsequent to General Meeting 24 July 2015
Subsequent Event #2	Payment of past creditors, current creditors & seeking new opportunities
Subsequent Event #3	Issue of 110 million convertible notes announced 11 September 2015 to be converted into equity at November 2015 General Meeting
Subsequent Event #4	Issue of 100 million shares @ 0.05 cents plus \$500,000 cash to Hermes Capital plus 60 million shares to HBO @ 0.05 cents
Subsequent Event #5	Conversion of 110 million convertible notes announced 11 September 2015 converted on listing on ASX
Subsequent Event #6	Issue of up to 50 million shares @ 20 cents on listing on the ASX less \$929,006 being costs of issue

## Historical Ye Eun Memorial Park Balance Sheets and Statement of Profit

Below are the historical balance sheets and Statements of Profit for Ye Eun Memorial Park for the years ended 31 December 2012, 2013 and 2014 and the half year 30 June 2015. As Ye Eun Property Development Limited was only formed in June 2015, there is no historical information for that Company. These figures are all in Australian dollars. The balance sheets and statements of profit for Ye Eun Memorial Park for the years ended 31 December 2012, 2013 and 2014 are audited and the accounts for the half year ended 30 June 2015 are unaudited.

Balance Sheets	Years Ended			
	31/12/2012	31/12/2013	31/12/2014	Half year 30/06/2015
	AUD	AUD	AUD	AUD
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	1,475	1,580	125	252
Short term Financial Instruments		101,439	1,464	1741
Trade and Other Receivables	0	12,528	0	6,228,457
Inventories	2,609,700	3,243,052	3,228,955	3,812,298
<b>TOTAL CURRENT ASSETS</b>	<b>2,611,175</b>	<b>3,358,599</b>	<b>3,230,544</b>	<b>10,042,748</b>
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	0	0	30,109	33,362
<b>TOTAL NON CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	<b>30,109</b>	<b>33,362</b>
<b>TOTAL ASSETS</b>	<b>2,611,175</b>	<b>3,358,599</b>	<b>3,260,653</b>	<b>10,076,110</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	73,028	266,038	370,570	304,255
Advances	0	118,637	118,637	118,637
<b>TOTAL CURRENT LIABILITIES</b>	<b>73,028</b>	<b>384,675</b>	<b>489,207</b>	<b>422,892</b>
<b>NON CURRENT LIABILITIES</b>				
Long-term accrued expenses	641,315	801,644	801,644	951,048
Long-term borrowings	6,410,074	8,012,592	8,012,592	9,505,921
Provision for severance benefits	38,120	59,950	75,750	102,607
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>7,089,509</b>	<b>8,874,186</b>	<b>8,889,986</b>	<b>10,559,577</b>
<b>TOTAL LIABILITIES</b>	<b>7,138,753</b>	<b>9,198,431</b>	<b>9,302,342</b>	<b>10,982,469</b>
<b>NET ASSETS</b>	<b>(4,527,578)</b>	<b>(5,839,832)</b>	<b>(6,041,688)</b>	<b>(906,359)</b>
<b>EQUITY</b>				
Contributed equity and				
Accumulated losses	(4,527,578)	(5,839,832)	(6,041,688)	(906,359)
<b>TOTAL EQUITY</b>	<b>(4,527,578)</b>	<b>(5,839,832)</b>	<b>(6,041,688)</b>	<b>(906,359)</b>

## Statements of Income

## Years Ended

	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>Half year 30/6/15</b>
	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>
Sales	781,452	526,561	655,911	6,482,533
Cost of sales	24,021	22,627	16,725	18,446
Selling and admin expenses	916,569	717,908	760,056	202,752
<b>Operating Profit/(Loss)</b>	<b>(159,138)</b>	<b>(213,974)</b>	<b>(120,869)</b>	<b>6,261,335</b>

## Schedule 1 - Definitions

In this Explanatory Memorandum and Notice of General Meeting:

**Acquisition** or **Ye Eun Acquisition** means the purchase by WSE of all the issued shares in the capital of Ye Eun.

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

**Associate** has the meaning ascribed in the Corporations Act.

**ASX** means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX.

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

**ASX Restricted Securities** means any securities which are classified by the ASX as Restricted Securities under the ASX Listing Rules.

**Bentleys** means Bentleys NSW Pty Ltd.

**Board** means Directors of the Company.

**Business Day** means a day on which the ASX is open for trading.

**Company or WSE** means Welcome Stranger Mining Limited (ACN 007 670 386).

**Completion** means completion of the sale of all the issued shares in Ye Eun to WSE in accordance with the Purchase Agreement.

**Consideration Shares** has the meaning given in Section 2.

**Constitution** means the constitution of the Company as at the date of the General Meeting.

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

**Directors** mean the directors of the Company.

**Exempt Investor** means a person to whom an offer of securities can be made without the need for a disclosure document to be lodged with ASIC under Part 6D.2 of the Corporations Act because of section 708(8) (sophisticated investor), section 708 (10) (offer through financial services licensee) or section 708(11) (professional investor) of the Corporations Act.

**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**General Meeting** has the meaning given in the introductory paragraph of the Notice (and any adjournment of that meeting).

**HBO** means HBO International Global Limited.

**HBO Shares** mean the Shares to be issued to HBO pursuant to Resolution 5

**Hermes** means Hermes Capital Limited.

**Hermes Shares** mean the Shares to be issued to Hermes pursuant to Resolution 5.

**Notes** mean the notes described in section 2.6.

**Noteholders** mean the holders of Notes and named in section 10.

**Noteholder Shares** means the Shares issued to the Noteholders pursuant to Resolution 6.

**Notice** means this Notice of General Meeting.

**Offer** means the offer of the Offer Shares under the Prospectus.

**Offer Options** means the options described in section 5.1.

**Offer Shares** means the offer of up to 50 million Shares under the Prospectus.

**Options** means the options described in section 2.6 and 11.

**Proxy Form** means the proxy form attached to the Notice.

**Prospectus** has the meaning given in Section 5.

**Purchase Agreement** has the meaning given in Section 2.1.

**Related Party** has the meaning ascribed in the ASX Listing Rules.

**Resolution** means a resolution referred to in this Notice.

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

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

**Subscription** means the maximum subscription under the Offer, being 50 million Offer Shares.

**Transaction** means the sale of all the issued shares in Ye Eun to the Company, the issue and allotment of the Consideration Shares and the Offer Shares and the related matters as outlined in Section 2.

**Vendors** mean Shin Jin Dae, Tae Hyun, Jian Ru, Wise Hand Solution Pte Ltd and SHS International Global Limited.

**Ye Eun** means Ye Eun Property Development Limited.

**Ye Eun Group** means collectively Ye Eun and Yea Eun Memorial Park.

# Welcome Stranger Mining Limited

ACN 007 670 386

## PROXY FORM

The Company Secretary  
Welcome Stranger Mining Limited

**By post and delivery:** Suite 904, 37 Bligh Street, Sydney NSW 2000  
**By facsimile:** 02 92333307

I/We

<sup>1</sup>

of

being a Shareholder/Shareholders of the Company and entitled to attend and vote, hereby appoint <sup>2</sup>

or if no person is named or failing such appointment the chairman of the General Meeting as my/our proxy to act generally and vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.30 am (Sydney time) on 3 November 2015 at Suite 904, 37 Bligh Street Sydney NSW and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is \* [ ]% of the Shareholder's votes\*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request.)

### INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS

The proxy is to vote on the Resolutions referred to in the Notice as follows:

		For	Against	Abstain *
Resolution 1	Approval for the issue of Offer Shares and Offer Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for the change of name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the change to nature of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for the issue of Shares to the Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for the issue of Shares Hermes and HBO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for the issue of the Noteholder Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for the issue of the Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**The chairman intends to vote all available proxies in favour of each Resolution.**

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

### Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date



<sup>1</sup> Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

**Proxy Notes:**

A Shareholder entitled to attend and vote at the General Meeting may appoint a person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding:                where the holding is in more than one name all of the holders must sign.

Power of Attorney:        if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:                a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission on 02 92333307 or by post or delivery to Suite 904, 37 Bligh Street Sydney, NSW 2000 not less than 48 hours prior to the time of commencement of the General Meeting.