



ACN 632 790 660

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Meeting to be held as a hybrid meeting at 15 McCabe Street, North Fremantle, Western Australia 6159 and virtually through the Share Registry's online platform on Friday, 6 May 2022 at 1:00 pm (AWST)

IMPORTANT NOTE

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your professional adviser prior to voting.

Information on how to attend the Meeting virtually and vote online is set out in this Notice of Meeting.

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AUSTRALIA SUNNY GLASS GROUP LIMITED

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Australia Sunny Glass Group Limited (ACN 632 790 660) (**Company**) will be held as a hybrid meeting at 15 McCabe Street, North Fremantle, Western Australia 6159 and virtually through the Share Registry's online platform on Friday, 6 May 2022 commencing at 1:00 pm (AWST) (**Meeting**).

The Explanatory Statement which accompanies this Notice contains further information in relation to the items of business to be considered at the Meeting. The Explanatory Statement forms part of this Notice.

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement.

AGENDA

Resolution 1 – Withdrawal of Listing on NSX

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

“That, for the purposes of NSX Listing Rule 2.25 (Section 2A) and for all other purposes, subject to the Company being admitted to the official list of the ASX, the Directors of the Company are authorised to voluntarily withdraw the listing of the Company from the official list of the National Stock Exchange of Australia Limited, in the manner described in the Explanatory Statement accompanying this Notice.”

Resolution 2 – Approval of the issue of Public Offer Shares

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

“That, for the purposes of section 195(4) of the Corporations Act and NSX Listing Rules 6.25 and 6.44 (Section 2A) and for all other purposes, Shareholders approve the allotment and issue of up to 21,428,571 Public Offer Shares to investors (including Related Parties) under the Public Offer, at an issue price of \$0.35 per share, in the manner and on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Resolution 3 – Replacement of Current Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, subject to the Company being admitted to the official list of the ASX, Shareholders approve the repeal of the Current Constitution and the adoption of the Proposed Constitution, with effect from the date on which the Company is admitted to the official list of the ASX.”

Resolution 4 – Approval of Proportional Takeover Provisions

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

“That for the purposes of section 648G of the Corporations Act and for all other purposes, subject to the Company being admitted to the official list of the ASX and Resolution 3 being passed, clause 6 of the Proposed Constitution, which set out proportional takeover provisions, be approved and adopted in the Proposed Constitution, with effect from the date that the Proposed Constitution takes effect.”

Impact of COVID-19 on the Meeting

The Company will be observing restrictions on gatherings, social distancing rules and other COVID-19 legal requirements that may apply at the time of the Meeting.

Given the government restrictions on gathering sizes applicable in Western Australia at the date of this Notice, the Board considers it appropriate that the Meeting be held as a hybrid meeting where Shareholders may attend and participate in person (subject to the gathering restrictions) or virtually through an online platform provided by Advanced Share Registry, the Company's Share Registry service provider.

However, Shareholders are strongly encouraged to vote by directed proxy if they are uncertain about attending the Meeting. If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide an update ahead of the Meeting by releasing an NSX announcement.

Attendance and Participation

The Meeting will be held at 15 McCabe Street, North Fremantle, Western Australia 6159 on Friday, 6 May 2022 at 1:00 pm (AWST).

Shareholders who are unable to attend the Meeting in person will be able to attend the meeting virtually via an online platform. Information about how to attend the Meeting virtually is set out below under "Voting online".

Voting at the Meeting will be by poll rather than by show of hands.

How to vote

Entitlement to vote

The Company has determined that the time for determining a person's entitlement to vote at the Meeting is Wednesday, 4 May 2022 at 4:00 pm (AWST). Only those Shareholders entered on the Company's Share Register at that time will be entitled to attend and vote at the Meeting, either in-person or virtually via the online platform. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Meeting.

Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable restrictions on gathering sizes in force in Western Australia at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

Voting online

Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Meeting through an online platform at www.advancedshare.com.au/virtual-meeting. This online platform allows Shareholders to attend the Meeting in real time and allow them to vote and ask questions in respect to the resolutions.

It is recommended that Shareholders try to log on to the online platform at least 15 minutes prior to the scheduled start time for the Meeting. Shareholders who wish to participate virtually may do so in accordance with the following instructions:

1. Go to <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login>
2. Login using the Meeting ID and your personalised Shareholder ID which can be found on your personalised Proxy Form

3. After logging in, a banner will be displayed and you can join the Virtual Meeting Portal where you can join the meeting, directly lodge questions, and enter poll instructions
4. There will be a live webcast where you can view and listen to the virtual Meeting
5. Shareholders and their proxies will be able to vote on the resolutions directly through the online platform at any time between the commencement of the Meeting and the closure of voting as announced by the Chair

Shareholders who have not received their personalised Proxy Form should contact the Share Registry on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside of Australia) as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

Proxies

Please note that:

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

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or the Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

The enclosed Proxy Form provides further details on appointing proxies and lodging proxy forms. Proxy Forms must be received by no later than 1:00 pm (AWST) on Wednesday, 4 May 2022.

Attorneys

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 1:00 pm (AWST) on Wednesday, 4 May 2022.

By order of the Board:

A handwritten signature in blue ink, appearing to read 'Natalie Teo', is positioned above the printed name.

Natalie Teo

Company Secretary

Australia Sunny Glass Group Limited

6 April 2022

EXPLANATORY STATEMENT

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

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

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms used in this Notice and Explanatory Statement are defined in the Glossary. A Proxy Form is located at the end of this Explanatory Statement.

2. Resolution 1 – Withdrawal of Listing on NSX

2.1 General

Resolution 1 is a special resolution to authorise the Directors to withdraw the Company's listing on NSX, subject to the Company being admitted to the official list of ASX.

2.2 Overview of the Delisting Proposal

As announced by the Company on 4 April 2022, the Company proposes to apply for admission to the official list of ASX in or about April 2022 (**ASX Listing**). The Company also proposes to undertake a public offer of its Shares to raise up to \$7,500,000 before costs by way of the issue of up to 21,428,571 Shares at \$0.35 each (**Public Offer**).

The Board believes that its strong growth agenda requires capital beyond the Company's current capabilities as an NSX listed entity, for reasons which include the following:

- the listing on NSX has provided very minimal liquidity for the Company's Shares;
- there are fewer number of participating stockbrokers on NSX as compared to ASX; and
- certain Shareholders have experienced difficulty in trading Shares on market through NSX;

The Board considers that the proposed ASX Listing is in the best interests of the Company's Shareholders as it provides access to Australia's largest pool of equity capital. Key advantages of the ASX Listing include:

- greater ability for the Company to expand its Shareholder base by creating improved marketability and liquidity of the Company's securities;
- improved access to equity capital markets and fundraising opportunities to support its growth plans;
- potential to improve the Company's public recognition, commercial standing and investor profile;
- a greater profile and greater exposure for the Company to prospective investors as well as capital to advance its growth opportunities; and
- facilitate a significant increase in the Company's funding resource, enabling it to progress its expansion plans.

If the Company is successful in its admission to the official list of the ASX, the Board has determined that maintaining dual listings on NSX and ASX would be costly, involve additional compliance requirements, and would be very unlikely to provide any advantage. Accordingly, Shareholders are

now being asked to approve the voluntary withdrawal of the Company's listing from NSX (**NSX Delisting**) upon the Company being admitted to ASX.

2.3 NSX Listing Rule Requirements

NSX Listing Rule 2.25 (Section 2A) requires, among other things, an entity seeking to withdraw its listing on NSX obtains the approval of three quarters (3/4) of each class of its listed securities at a general meeting (i.e. a special resolution). Accordingly, the NSX Delisting will not be implemented unless at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting are in favour of Resolution 1.

Further, NSX Listing Rule 2.25 (Section 2A) requires an entity give NSX 90 days prior written notice of the proposed withdrawal of listing. The Company has applied to NSX for a waiver of this notice period so as to permit the Company to delist immediately following admission to ASX. The waiver application also seeks confirmation that quotation of Shares on NSX will not be suspended until the Company is admitted to ASX.

This waiver application is pending at the date of this Notice. The Company will provide an update to the market on the outcome of the application.

2.4 Key Dates

The table below sets out the proposed timetable for the Public Offer, ASX Listing and NSX Delisting. These dates are **indicative only and may change without notice**. Any change to the key dates will be announced to NSX, and will be subject to applicable laws.

| Event | Date |
|---|---------------|
| Dispatch of Notice of General Meeting | 6 April 2022 |
| Lodgement of prospectus for Public Offer with ASIC and release on NSX Opening date of Public Offer | 27 April 2022 |
| General Meeting | 6 May 2022 |
| Closing date of Public Offer | 22 June 2022 |
| Admission to the official list of ASX Suspension of trading of the Company's Shares on NSX | 6 July 2022 |
| Dispatch of Holding Statements | 7 July 2022 |
| Shares to commence quotation on ASX Delist from NSX | 8 July 2022 |

2.5 Other Material Information

The Company proposes to lodge with ASIC a prospectus for the Public Offer in late April 2022. Further information about the prospectus and Public Offer will be disclosed on the Company's website and the NSX announcements platform in due course.

The Company has applied for in-principle advice from ASX as to which existing Shares ASX would likely classify as 'restricted securities' under the ASX Listing Rules. ASX has advised it would likely apply escrow restrictions in respect of 49,806,587 existing Shares held by Related Parties or persons who sold assets to the Company prior to its initial public offering in 2020, for 24 months from the Company's admission to ASX.

There is no other information material to the making of a decision by a Shareholder whether or not to approve Resolution 1 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Statement.

2.6 Voting Consequences

Resolution 1 is conditional on the Company being admitted to the official list of the ASX.

If Resolution 1 is passed, and if the Company is successful in its application for admission to the official list of the ASX, the Board will voluntarily withdraw the Company's listing on the NSX.

If Resolution 1 is not passed, the Company will continue to maintain its listing on the NSX. As noted in section 2.2 above, the Board considers maintaining dual listings would result in substantial unnecessary costs and involve additional compliance with no benefit to the Company.

2.7 Board Recommendation

After considering all relevant factors, the Directors unanimously recommend Shareholders vote in favour of Resolution 1 for the reasons summarised above.

2.8 Voting intention

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1.

3. **Resolution 2 – Approval of the issue of Public Offer Shares**

3.1 General

Resolution 1 outlines the Company's proposed migration to the ASX. In conjunction with the migration, the Company proposes to undertake the Public Offer (see section 2.2).

Resolution 2 is an ordinary resolution seeking approval to issue the Shares under the Public Offer (**Public Offer Shares**).

As outlined in section 2.2 above, the Company proposes that the Public Offer will be made by way of a prospectus. Further information about the prospectus and Public Offer will be disclosed on the Company's website and the NSX announcements platform in due course.

The Public Offer is intended to support the Company's application for admission to the official list of ASX, and specifically the requirement that the Company have a minimum of \$4,000,000 in net tangible assets after deducting cost of the offer.

The Company has engaged Townshend Capital to act as lead manager in relation to the Public Offer.

3.2 Proposed Use of Funds

The Board currently intends to apply the funds raised under the Public Offer as follows:

- fund its growth strategy in New South Wales;
- upgrade its facilities in Melbourne to supports its expansion into the Victorian market;
- progress its research and development program;
- provide general working capital requirements for the Company's operations; and
- pay for the costs of the Public Offer.

The application of funds as outlined above is the Board's current intention. However, the funds may be applied differently depending upon intervening events or changes in the Company's circumstances.

3.3 NSX Listing Rule Requirements

NSX Listing Rule 6.25 (Section 2A) provides that, save for certain exceptions, the directors of a listed entity must obtain shareholder approval at a general meeting prior to issuing equity securities in any 12-month period which exceed 15% of the number of fully-paid ordinary securities on issue at the commencement of that 12-month period.

The proposed issue of Public Offer Shares exceeds the 15% limit and does not fit within any of the exceptions to the rule. Therefore, Shareholder approval is required to issue these Shares.

Further, NSX Listing Rule 6.44 (Section 2A) provides that, such to certain exceptions, a listed entity must obtain the approval of shareholders by special resolution for any issue of equity securities to a Related Party or a person nominated by NSX.

It is proposed that Related Parties may participate in the Public Offer on the same basis as other applicants. However, none of the exceptions in NSX Listing Rule 6.44 (Section 2A) apply to the issue. Accordingly, Shareholder approval is required to issue these Shares.

3.4 Material Personal Interest of Directors

Section 195(1) of the Corporations Act provides that a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting or vote on the matter.

Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors' meeting because of section 195(1), the directors can call a general meeting of shareholders to consider the matter.

As noted in section 3.3 above, it is proposed that Directors (being Related Parties) may participate in the Public Offer on the same basis as other investors. This may result in the Directors being unable to form a quorum to consider any matters relating to their participation in the Public Offer and Resolution 2, as each of the Directors may have a material interest in the same.

Accordingly, Resolution 2 seeks Shareholder approval under section 195(4) of the Corporations Act for the Directors to be able to deal with matters relating to the Public Offer, despite their material personal interests.

3.5 Related Party Financial Benefits

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires a public company to obtain the approval of its shareholders before providing a financial benefit to a Related Party (e.g. a Director), unless giving the financial benefit falls within a statutory exception. Any financial benefit approved by shareholders must be provided within 15 months of the approval.

Section 210 of the Corporations Act provides that shareholder approval is not required to give a financial benefit to a Related Party on terms that would be reasonable in the circumstances if the public company and the Related Party were dealing at arm's length, or the terms are less favourable to the Related Party than the arm's length terms.

It is proposed that Related Parties may participate in the Public Offer. This may constitute the giving of a financial benefit.

However, as Related Parties will participate on the same basis as other investors, and would not be afforded any preferential treatment, the exception arm's length exception applies.

3.6 Additional Information on Public Offer

The following additional information is provided in relation to the proposed issue of Public Offer Shares pursuant to Resolution 2:

- the maximum number of Public Offer Shares proposed to be issued is 21,428,571;
- the issue price of each Public Offer Share will be \$0.35;
- the Public Offer Shares will be issued to successful applicants under the Public Offer, who may include Related Parties;
- the Public Offer Shares will rank equally with all other Shares then on issue; and
- the Company will apply for quotation of Public Offer Shares on the ASX.

3.7 Voting Consequences

If Resolution 2 is passed, the Company will be able to issue the Public Offer Shares (including to Related Parties) and, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 6.25 (Section 2A).

If Resolution 2 is not passed, the Company may either scale back the Public Offer so that the number of Public Offer Shares to be issued does not exceed the Company's 15% issuing capacity under NSX Listing Rule 6.25 (Section 2A). This may affect the Company's ability to satisfy the admission requirements for ASX. Alternatively, the Company may elect not to proceed with the Public Offer and ASX Listing.

3.8 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 2 to enable the Company to satisfy the ASX admission requirements and ensure the Company has sufficient capital to pursue the objectives outlined in sections 2.2 and 3.2 above.

3.9 Voting intention

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 2.

4. **Resolution 3 – Replacement of Current Constitution**

4.1 General

Resolution 3 is a special resolution seeking Shareholder approval to repeal the Current Constitution and adopt the Proposed Constitution.

The Current Constitution was adopted on 1 May 2020, immediately prior to the Company listing on NSX. It contains provisions which are specifically relevant to an NSX listed company.

In anticipation of the ASX Listing, the Board proposes to adopt the Proposed Constitution which reflects current provisions of the Corporations Act and contains provisions required of an ASX listed company.

The Board believes that it is preferable in the circumstances to wholly replace the Current Constitution with the Proposed Constitution rather than to amend numerous provisions of the Current Constitution so that it is suitable for an ASX listed company.

The Proposed Constitution is broadly consistent with the provisions of the Current Constitution. A summary of the proposed changes is set out below. The Board believe these amendments will not have any significant impact on Shareholders.

A copy of the Proposed Constitution is available for review by the Shareholders at the Company's website www.asgg.com.au and at the registered office of Company. A copy is also available to Shareholders by request to the Company Secretary on +61 8 6389 2688, Monday to Friday between 9:00am and 5:00pm (AWST).

Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

4.2 ASX Listing Rule requirements

ASX Listing Rule 1.1 (condition 2) provides that, as a condition of admission to ASX, an entity has a constitution which is consistent with the ASX Listing Rules, or which includes the provisions in Appendix 15A or Appendix 15B (as applicable). The Current Constitution does not meet this requirement.

The Proposed Constitution contains the provisions in Appendix 15A of the ASX Listing Rules and has been prepared to replace the Current Constitution so as to enable the Company to satisfy this admission requirement.

4.3 Summary of Material Provisions

(a) ***Precedence of ASX Listing Rules (clause 2.4)***

The Proposed Constitution contains wording from Appendix 15A of the ASX Listing Rules which provide that, while the Company is listed on ASX, the ASX Listing Rules prevail notwithstanding any other provisions that are contained in the Proposed Constitution.

(b) ***Restricted securities (clause 3.7)***

The Proposed Constitution contains provisions regarding securities which ASX classifies as 'restricted securities' for the purposes of the ASX Listing Rules. Restricted securities are those securities that are issued in the circumstances set out in Appendix 9B to the ASX Listing Rules or that otherwise should, in ASX's opinion, be treated as restricted securities.

Restricted securities will be subject to certain escrow restrictions for an applicable restriction period, including not being entitled to participate in a return of capital, restricting the disposal of those securities, and having a holding lock applies to those securities with the share registry.

(c) ***Sale of small holdings (clause 3.8)***

As permitted by ASX Listing Rules 15.13, 15.13A and 15.13B, the Proposed Constitution provides that the Company may sell a Shareholder's Shares if those Shares are less than a 'marketable parcel' of a particular class of shares (within the meaning of the ASX Listing Rules, currently being a parcel with a market value of less than \$500). The Directors must first give written notice to the relevant Shareholder, who may elect to retain their Shares.

These provisions are intended to assist the Company to reduce the administrative costs associated with having multiple small shareholders.

(d) ***Fee for registration of off-market transfers (clause 5.1(c))***

As permitted by ASX Listing Rule 8.14, the Proposed Constitution provides that the Company may charge a reasonable fee for registering a paper-based transfer in registrable form (sometimes referred to as "off-market transfers"). The fee is intended to represent the cost incurred by the Company specific to off-market transfers.

The Company must not charge a fee for the registration of a transfer of shares that is not a paper-based transfer in registrable form.

(e) ***Proportional takeover provisions***

The proportional takeover provisions contained in the Proposed Constitution are discussed in section 5 below.

(f) ***Appointment and tenure of Directors***

The Proposed Constitution provides that the minimum number of Directors is to be 3 and the maximum is to be 10, unless the maximum is changed by the Company in general meeting.

The existing Directors or the Company in general meeting may appoint a new Director to fill a casual vacancy. A Director appointed to fill a casual vacancy must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director).

A Director other than the managing director must not hold office later than the 3rd annual general meeting after his or her appointment or election without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed Director must be received by the Company in a stipulated period prior to the meeting.

(g) ***Remuneration of Directors***

The Proposed Constitution provides that the total fees payable to non-executive Directors must not exceed the aggregate fixed sum determined by Shareholders in general meeting. Further, the remuneration of any Director must not be calculated as a commission on, or percentage of, profits or operating revenue.

The Proposed Constitution also provides that the Directors must be paid all reasonable travelling and other expenses properly incurred in performance of their duties, and that Directors may be paid retirement benefits.

4.4 **Voting Consequences**

If Resolution 3 is passed, and the Company is admitted to the official list of ASX, the Company will have an ASX-compliant constitution in support of its ASX Listing.

If Resolution 3 is not passed, the Company will not have an ASX-compliant constitution in support of its ASX Listing. ASX will not admit the Company to the official list of ASX until such time as it does.

4.5 **Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 3 so as to enable the Company to meet the requirements of admission to ASX.

4.6 **Voting intention**

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 3.

5. Resolution 4 – Approval of Proportional Takeover Provisions

5.1 **Background**

Resolution 4 is a special resolution seeking Shareholder approval for the proportional takeover provisions set out in clause 6 of the Proposed Constitution (**Proportional Takeover Provisions**).

Although the Proportional Takeover Provisions are set out in the Proposed Constitution, pursuant to the Corporations Act, their operation and effectiveness is separate to the rest of the document.

Resolution 4 is conditional upon the Company being admitted to the official list of the ASX and Resolution 3 (Replacement of Current Constitution) being passed.

5.2 Proposed wording

Set out below is the proposed Proportional Takeover Provisions which are set out in clause 6 of the Proposed Constitution.

6. Proportional Takeovers

6.1 Operation

This clause 6 is only effective, and only forms part of the Constitution, for the period specified in section 648G(1) of the Corporations Act, commencing on the period specified in section 648G(2) of the Corporations Act.

6.2 Defined terms

In this clause 6:

Approving Resolution means a resolution to approve a Proportional Takeover Bid in accordance with this clause 6.

Eligible Voter means a person (other than the bidder under a Proportional Takeover Bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

End Date means the 14th day before the last day of the bid period for a Proportional Takeover Bid.

Proportional Takeover Bid has the meaning given to that term in the Corporations Act

6.3 Refusal of transfers

(a) *The Company must refuse to register a transfer of securities giving effect to a takeover contract for a Proportional Takeover Bid unless and until an Approving Resolution is passed in accordance with this clause 6.*

(b) *Any purported registration of a transfer in contravention of clause 6.3(a) is void.*

6.4 Voting on an Approving Resolution

(a) *Where offers are made under a Proportional Takeover Bid, the directors must call and arrange to hold a meeting of Eligible Voters for the purpose of voting on an Approving Resolution before the End Date.*

(b) *The provisions of this Constitution concerning meetings of members (with the necessary changes) apply to a meeting held under clause 6.4(a).*

- (c) *Subject to this Constitution, every Eligible Voter present at the meeting held under clause 6.4(a) is entitled to one vote for each security in the bid class that the Eligible Voter holds.*
- (d) *An Approving Resolution that has been voted on before the End Date is taken to have been:*
 - (i) *passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%; or*
 - (ii) *rejected if clause 6.4(d)(i) has not been satisfied.*
- (e) *Subject to clause 6.4(f), an Approving Resolution must be passed before the End Date in order for that resolution to be effective.*
- (f) *If an Approving Resolution has not been voted on as at the end of the day immediately prior to the End Date, an Approving Resolution is taken to have been passed for the purposes of, and in accordance with, this clause 6.*

5.3 Corporations Act requirements

Sections 648D to 648H of the Corporations Act regulate the incorporation of provisions in a company's constitution related to proportional takeovers.

Specifically, section 648G of the Corporations Act requires that, if a company is to include such provisions in its constitution, the provisions must be approved by shareholders at a general meeting. The approval is effective for up to 3 years.

The Company provides the information set out in this Section 9 for the purposes section 648G(5) of the Corporations Act.

5.4 Overview of takeovers

Chapter 6 of the Corporations Act regulates the acquisition (direct and indirect) of interests in shares of listed companies and other companies with more than 50 members.

Subject to certain exceptions, section 606 of the Corporations Act prohibits the acquisition of an interest which results in any person's voting power in such companies increasing to more than 20% (or any person's voting power increasing between 20% and 90%). This is colloquially known as the "takeover threshold".

A takeover bid made under Chapter 6 of the Corporations Act is an exception to this prohibition. It is an offer (or 'bid') by a potential acquirer to all the shareholders of a target company to acquire all or part of their shares on the same terms.

A proportional takeover bid is a takeover bid sent to all shareholders of a company, but only in respect of the acquisition of a proportion of each shareholder's shares.

If a shareholder accepts the offer, they will dispose of the specified proportion of their shares and retain the balance.

9.4 ***Effect of Proportional Takeover Provisions***

Sections 648D to H of the Corporations Act allow a company to include in its constitution certain provisions regarding proportional takeover bids. The Proportional Takeover Provisions in the Proposed Constitution has been drafted to reflect these sections.

The Proportional Takeover Provisions require the Directors refuse to register any transfer of securities (**Bid Securities**) made in acceptance of a proportional takeover bid (**Bid**) until the holders of Bid Securities (**Bid Security Holders**) have approved the Bid at a meeting of the Bid Security Holders held in accordance with the Proposed Constitution (**Bid Meeting**). In this regard:

- The Bid Meeting must be held at least 14 days before the day the Bid closes.
- A resolution approving the Bid will be taken to have been passed if a majority of Bid Securities voted at the meeting, excluding any Bid Securities held by the bidder and its associates, vote in favour of the resolution.
- The Directors will breach the Corporations Act if they fail to ensure that an approving resolution is voted upon. However, if no resolution is voted on before the end of the 14th day before the close of the Bid, the resolution will be deemed to have been passed.
- Where the resolution approving the Bid is passed, transfers of Bid Securities resulting from acceptance of the Bid will be registered, provided they otherwise comply with the Corporations Act and other provisions of the Proposed Constitution.
- If the resolution is not passed, then in accordance with the Corporations Act, the Bid will be deemed to have been withdrawn and transfers that would have resulted from acceptance of the Bid will not be registered.

The proportional takeover provisions do not apply to takeover bids for 100% of the shares on issue.

In accordance with section 648G of the Corporations Act, the Proportional Takeover Provisions will only apply for 3 years after the date of their adoption by Shareholders. They may be renewed, but only by a further special resolution of Shareholders.

5.5 Purpose of the Proportional Takeover Provisions

Without the Proportional Takeover Provisions, a Bid may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder.

Further, if the provisions are not adopted, Shareholders could be at risk of passing control of the Company to a bidder without payment of an adequate 'control premium' for all of their shares whilst leaving themselves as part of a minority interest in the Company.

The proportional takeover provisions are intended to protect Shareholders as a whole by requiring a Bid be put to a Bid Meeting. The benefit of this is that Shareholders may decide whether the Bid is acceptable in principle and appropriately priced.

5.6 Potential advantages

Some potential key advantages of enlivening the proportional takeover provisions in the Proposed Constitution include:

- the provisions give all Bid Security Holders with the opportunity to consider, discuss and vote on whether a Bid should be approved and proceed;
- the provisions should encourage Bids to be structured in a way that they are more attractive to at least the majority of Bid Security Holders, and should discourage more 'opportunistic' Bids; and
- the provisions potentially:
 - enhance the bargaining power of Directors in relation to negotiating a potential sale of the Company, as the Directors must make a recommendation to Bid Security Holders whether or not to approve a Bid;

- enhance the bargaining power of Shareholders in relation to a Bid as it allows them to collectively vote and determine whether a Bid proceeds;
- assist in ensuring that any Bid is appropriately priced as the provisions would likely encourage a potential bidder to make the offer price more attractive to Bid Security Holders;
- allow the Bid Security Holders themselves to express a view on a Bid as opposed to only the Directors doing so on behalf of the Company; and
- assist Bid Security Holders in deciding whether or not to accept the Bid by providing an indication of how the other Bid Security Holders view the Bid and its likely outcome.

5.7 Potential disadvantages

Some potential key disadvantages of enlivening the Proportional Takeover Provisions include:

- a bidder may be discouraged from making a Bid due to the additional requirements of satisfying the proportional takeover provisions;
- a vote on a Bid resolution will likely suffer from a bias in favour of the incumbent Directors;
- the provisions restrict the ability of Bid Security Holders to freely sell their Bid Securities (potentially at an attractive price) without the consent of other Bid Security Holders; and
- a Bid Security Holder may not have sufficient financial interest in the Company to have an incentive to determine whether a Bid is appropriate.

5.8 Knowledge of present acquisition proposals

As at the date of this Explanatory Statement, the Board is not aware of any proposals by a person to acquire, or to increase the extent of, a substantial interest in the Company (i.e. control of 5% or more of the ordinary shares).

5.9 Voting Consequences

If Resolution 4 is passed, the Proportional Takeover Provisions will come into effect at the same time the Proposed Constitution takes effect (i.e. on admission of the Company to the official list of ASX). As noted in section 5.1 above, Resolution 4 is conditional upon Resolution 3 (Replacement of Current Constitution) being passed and the Company being admitted to the official list of ASX.

If Resolution 4 is not passed, the Proportional Takeover Provisions will not have any effect.

5.10 Board Recommendation

For the reasons outlined above, the Board recommends that Shareholders vote in favour of Resolution 4 so that the Proportional Takeover Provisions operate upon the Proposed Constitution coming into effect.

5.11 Voting intention

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 4.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691), or the financial market operated by it known as the Australian Securities Exchange, as the context requires.

ASX Listing has the meaning given to that term in section 2.2.

ASX Listing Rules means the listing rules of ASX.

ASIC means the Australian Securities and Investments Commission.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of directors of the Company.

Chair means the person appointed to chair the Meeting.

Company means Australia Sunny Glass Group Limited (ACN 632 790 660).

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

Current Constitution means the constitution of the Company in effect as at the commencement of the Meeting.

Director means a director of the Company.

Explanatory Statement means the explanatory statement which forms part of this Notice.

Meeting means the general meeting the subject of this Notice.

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

NSX means National Stock Exchange of Australia Limited (ACN 000 902 063), or the financial market operated by it.

NSX Delisting has the meaning given to that term in section 2.2.

NSX Listing Rules means the listing rules of NSX.

Proposed Constitution means the proposed new constitution of the Company that is the subject of Resolution 3.

Proxy Form means the proxy form accompanying this Notice

Public Offer has the meaning given to that term in section 2.2.

Public Offer Shares has the meaning given to that term in section 3.1.

Related Party means a 'related party' for the purposes of section 228 of the Corporations Act or the NSX Listing Rules, as the context requires.

Resolution means a resolution contained in the Notice.

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

Shareholder means a shareholder of the Company.

Share Registry means the Company's share registry, Advanced Share Registry Ltd.

Townshend Capital means Townshend Capital Pty Ltd (ACN 099 900 188), holder of Australian financial services licence 230052.

In this Notice, words importing the singular include the plural and vice versa.

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LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

2022 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Australia Sunny Glass Group Limited and entitled to attend and vote hereby:

APPOINT A PROXY



The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at **15 McCabe Street, North Fremantle, Western Australia 6159 and virtually on 6 May 2022 at 1:00 pm (AWST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Resolutions

| | For | Against | Abstain* |
|--|--------------------------|--------------------------|--------------------------|
| 1 Withdrawal of Listing on NSX | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval of the issue of Public Offer Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Replacement of Current Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of Proportional Takeover Provisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



* If you mark the Abstain box for a particular Resolution, you are directing your 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

AUSTRALIA SUNNY GLASS GROUP LIMITED - GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 1:00 pm (AWST) on 4 May 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033