

# GRG INTERNATIONAL LIMITED

ACN 141 662 240

("GRG" or "Company")

## NOTICE OF EXTRAORDINARY GENERAL MEETING and EXPLANATORY STATEMENT

### THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION

If you are in any doubt as to how to deal with it,  
please consult your financial or other professional adviser.

#### The annual general meeting will be held:

- at 194 Gladstone Street, South Melbourne, Victoria;
- on **Monday, 5 September 2011** at 10.00am.

#### You can vote by:

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to GRG in the manner set out in section 6(a) of this notice of meeting. The proxy form (and any power of attorney under which it is signed) must be received by GRG no later than 10.00am (AEST) on **Monday, 5 September 2011**. Any proxy form received after that time will not be valid for the meeting.

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**GRG INTERNATIONAL LIMITED**  
**ACN 141 662 240**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

A general meeting of the shareholders of **GRG International Limited** will be held:

- on **Monday 5 September 2011**
- at **10.00am**
- at **194 Gladstone Street, South Melbourne, Victoria**

**1. PURPOSE OF MEETING**

The purpose of the meeting is to consider, and if thought fit, pass a resolution ratifying an issue of securities.

**Resolution 1: Ratification of issue of securities**

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

*“That pursuant to ASX Listing Rule 7.4, the Company approves and ratifies the issue and allotment of the fully paid Shares and Options to the entities described in Table 1 of the Explanatory Memorandum.”*

**Short Explanation**

GRG has issued a number of Shares and options to the entities described in Table 1 of the Explanatory Memorandum, on the date set out in the Explanatory Memorandum. Funds raised have been used for the purposes set out in the Explanatory Memorandum.

The Board of GRG is allowed to issue up to 15% of its issued capital without Shareholder approval each 12 months. The Shares described above were issued without Shareholder approval and were within this limit. Under the Listing Rules, GRG can seek Shareholder ratification of an issue made within the 15% limit, and, if given, the effect of the ratification is to deem that the Shares issues were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

The purpose of this resolution is to seek this ratification.

Further details of both resolutions are set out in the attached Explanatory Memorandum.

**Voting Exclusion Statement**

The Company will disregard any votes cast on this resolution by the entities described in paragraph 2.1 of the Explanatory Memorandum or any associates of those entities.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (and the acknowledgment box on the proxy form in relation to this resolution is marked).

**2. HOW TO VOTE**

Shareholders entitled to vote at the Extraordinary General Meeting may vote by attending the Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

**3. VOTING IN PERSON OR BY ATTORNEY**

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

**4. VOTING BY PROXY**

- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 10.00am AEST Melbourne time on 3 September 2011 by:

- Hand delivery to: GRG International Limited c/-Security Transfer Registrars Pty Ltd at 770 Canning Highway, Applecross WA 6153 or
- Fax to: GRG International Limited C/- Security Transfer Registrars Pty Ltd on (08) 9315 7233.

(b) A shareholder who is entitled to vote at the meeting may appoint:

- (1) one proxy if the shareholder is only entitled to one vote; or
- (2) one or two proxies if the shareholder is entitled to more than one vote.

(c) If a shareholder appoints one proxy, that proxy may vote on a show of hands. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.

(d) Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.

(e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.

(f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.

(g) If the abstention box on the proxy form for the item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she thinks fit.

(h) If the proxy form is signed by the shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Annual General Meeting, the chairperson of the Meeting may either act as proxy or complete the proxy by inserting the name of one or more Directors or the Company Secretary.

(i) The chairperson of the Annual General Meeting intends to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolutions) in favour of the Resolutions to be voted on at the Annual General Meeting. The chairperson will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolutions.

(j) If you require an additional proxy form, the Company will supply it on request to the undersigned.

## 5. VOTING BY CORPORATE REPRESENTATIVE

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Annual General Meeting.

**DATED 3 August 2011**

By order of the Board.



**Oliver Carton  
Company Secretary**

**GRG INTERNATIONAL LIMITED**  
**ACN 141 662 240**

**EXPLANATORY STATEMENT**

**1. INTRODUCTION**

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolution proposed to be considered at the Extraordinary General Meeting on **Monday, 5 September 2011** and to assist shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

**2 RESOLUTION 1 – RATIFICATION OF ISSUE OF SECURITIES**

**2.1 Summary of proposal**

As announced to the market on 1 February 2011, the Company has issued the Shares and Options to the entities set out in Table 1 (“**Placement**”). The Shares were issued under the Placement at 25c per Share, and Placees were issued with one free Option for every 4 Shares subscribed for. The Options are call listed options exercisable at 20c per share and expire on 20 June 2011.

In addition, CPS Securities Pty Ltd was issued with 1,500,000 Options as a placement fee.

**Table 1**

<b>Placee</b>	<b>Amount (\$)</b>	<b>No of Shares</b>	<b>No of options</b>
Clients of CPS Securities Pty Limited	1,285,000	5,140,000	1,285,000
Clients of Stonebridge Securities Limited	1,250,000	5,000,000	1,250,000
Entities associated with Russell Small	62,500	250,000	62,500
GRG Banking Limited	300,000	1,200,000	300,000
Entities associated with CPS Securities Limited	-	-	1,500,000
<b>Total</b>	<b>2,897,500</b>	<b>11,590,000</b>	<b>4,397,500</b>

**2.2 Purposes of Placement**

Funds raised from the Placement were used to further a potential acquisition in the UK, for current acquisitions and for working capital purposes. Shareholders should refer to the announcement made to ASX on 1 February 2011 concerning the Placement for further information.

**2.3 Listing Rule requirements for resolution 1**

**(a) ASX Listing Rule 7.4**

Listing Rule 7.4 enables the Company to ratify an issue of Shares made without prior Shareholder approval under Listing Rule 7.1 if:

- (i) the issue of Shares did not breach Listing Rule 7.1; and
- (ii) Shareholders subsequently approve the issue of those Shares by the Company.

In general terms, Listing Rule 7.1 allows the Company to issue up to 15% of its issued capital without the need for approval from Shareholders, with some exceptions. The issue of the Shares set out in Table 2 were not in breach of Listing Rule 7.1.

The Directors seek approval and ratification from Shareholders pursuant to Listing Rule 7.4 for the issue of the Shares set out in Table 2.

**(b) ASX Listing Rule 7.5**

ASX Listing Rule 7.5 lists information which must be contained in the Notice of General Meeting and Explanatory Memorandum where Shareholders will consider a resolution pursuant to ASX Listing Rule 7.4. This information is set out below:

- (i) *The number of securities allotted:* See Table 1.
- (ii) *The issue price of the securities:* Shares were issued at 25c per share. Options other than the options issued to CPS Securities were issued at nil consideration on the basis of 1 option for every 4 Shares subscribed for. Options were issued to CPS Securities as a placement fee.
- (iii) *The names of the allottees:* See Table 1.

(iv) *The terms of the securities:* The Shares are fully paid ordinary shares in the Company and rank pari passu with other fully paid ordinary shares on issue. The options issued were 20c listed call options expiring 30 June 2013, on the terms set out in Schedule 1.

(v) *The use or intended use of the funds raised:* see paragraph 2.2.

(vi) *A voting exclusion statement:* This information is set out in the Notice of Meeting.

## Schedule 1

### TERMS AND CONDITIONS OF OPTIONS EXPIRING 30 JUNE 2013 AT \$0.20

#### Option Terms

The Options entitle the holder (**Optionholder**) to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 30 June 2013 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;  
(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, The Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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