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**BERONI GROUP LIMITED**

**ACN 613 077 526**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 12:00pm AEST

**DATE:** 31 May 2019

**PLACE:** Suite 401, Level 4,  
447 Kent Street,  
Sydney NSW 2000 Australia

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9486 4036***

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12:00pm AEST on 31 May 2019 at:

Suite 401, Level 4  
447 Kent Street  
Sydney NSW 2000  
Australia

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

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The Directors have determined that pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm AEST on 29 May 2019.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting at the time, date and place set out above.

### 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.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

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- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2018 together with the declaration of the Directors, the Directors' Report and the auditor's report.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, the following resolution as a **non-binding ordinary** resolution:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as attached to this notice of AGM for the financial year ended 31 December 2018."*

**Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Exclusion Statement:**

A vote on this Resolution must not be cast (in any capacity):

- a) by or on behalf of any of the following persons:
  - (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
  - (ii) a Closely Related Party of such a member, and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### 3. RESOLUTION 2 – RE- ELECTION OF DIRECTOR – DR ZHINAN YIN

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

*"That Dr Zhinan Yin, a Director appointed to fill a casual vacancy, retires in accordance with clause 19.4 of the Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director."*

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**4. RESOLUTION 3 - RE- ELECTION OF DIRECTOR – MR HAI HUANG**

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

*"That Mr Hai Huang, having been appointed as a director on 30 September 2016, retires in accordance with clause 20.2 of the Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director."*

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**5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR LIBIN GUO**

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

*"That Mr Libin Guo, having been appointed as a director on 30 September 2016, retires in accordance with clause 20.2 of the Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director."*

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**6. RESOLUTION 5 – ISSUE OF NEW SHARES IN THE COMPANY**

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

*"That, for the purpose of NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue and allotment of up to 25,000,000 fully paid ordinary shares at an issue price of no less than 75% of the 10-day VWAP, on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

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

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**7. RESOLUTION 6– ISSUE OF SHARES TO EMPLOYEES**

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

*"That, for the purpose of NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue and allotment of up to 750,000 fully paid ordinary shares at a deemed issue price of \$1.25 per Share , on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 6 is passed;

However, the Company need not disregard a vote if:

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

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**8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY - MR BOQING ZHANG**

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

*"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 500,000 fully paid ordinary shares to Director, Mr Boqing Zhang (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

A voting exclusion statement is set out below.

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**9. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – MR HAI HUANG**

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

*"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 150,000 fully paid ordinary shares to Director, Mr Hai Huang (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

A voting exclusion statement is set out below.

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**10. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY – MR LIBIN GUO**

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

*"That, for the purpose section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 130,000 fully paid ordinary shares to Director, Mr Libin Guo (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

A voting exclusion statement is set out below.

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**11. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – MR PETER WONG**

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

*"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 150,000 fully paid ordinary shares to Director, Mr Peter Wong (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

A voting exclusion statement is set out below.

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**12. RESOLUTION 11 – ISSUE OF SHARES TO RELATED PARTY – MR CHANGBIN (CHRIS) DENG**

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

*"That, for the purposes section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 40,000 fully paid ordinary shares to former Director, Mr Changbin (Chris) Deng (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

A voting exclusion statement is set out below.

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**13. RESOLUTION 12 – ISSUE OF SHARES TO RELATED – DR ZHINAN YIN**

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

*"That, for the purposes section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 40,000 fully paid ordinary shares to the Director, Dr Zhinan Yin (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

A voting exclusion statement is set out below.

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**Voting Exclusion Statements for Resolutions 7 to 12:**

For the purpose of Chapter 2E of the Corporations Act and NSX Listing Rules 6.25 and 6.44 the Company will disregard any votes cast on:

- a) Resolution 7 by Mr Boqing Zhang and any of his associates, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 7 is passed;
- b) Resolution 8 by Mr Hai Huang and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 8 is passed;
- c) Resolution 9 by Mr Libin Guo and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 9 is passed;
- d) Resolution 10 by Mr Peter Wong and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 10 is passed;
- e) Resolution 11 by Mr Changbin (Chris) Deng and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 11 is passed; and
- f) Resolution 12 by Dr Zhinan Yin and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 12 is passed;



However, the Company need not disregard a vote by the above persons if:

- a) it is cast by the person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- b) it is not cast by the person on behalf of a related party or associate of a kind of the above persons.

Section 250BD applied to Resolutions 7 to 12 such that a vote must not be cast (in any capacity):

- a) by or on behalf of any of the following persons:
  - (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
  - (ii) a Closely Related Party of such a member; and
- b) the appointment does not specify the way the proxy is to vote on the resolution. However, a person (the voter) described above may cast a vote on Resolutions 7 to 12 as a proxy if the vote is not cast on behalf of a person described above and either:
  - a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on the Resolution; or
  - b) the voter is the Chair and the appointment of the Chair as proxy:
    - (i) does not specify the way the proxy is to vote on the Resolution; and
    - (ii) expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 14. RESOLUTION 13- CHANGE OF AUDITOR

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

*"That, subject to the consent of the Australian Securities & Investments Commission to the resignation of Prosperity Advisers Audit Services Pty Ltd (**Prosperity**), a new auditor, UHY Haines Norton, having been nominated by a member of the Company in accordance with section 328B(1) of the Corporations Act, being qualified to act as auditor of the Company and having consented subject to ASIC's consent to the resignation of Prosperity, to act as such, be appointed as auditor of the Company with effect from the close of the Annual General Meeting.*

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**DATED: 30 APRIL 2019**

**BY ORDER OF THE BOARD**

**MR CHEN CHIK (NICHOLAS) ONG**  
**COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information that the Directors believe to be material to Shareholders in deciding whether to pass the Resolutions that are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2018 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on NSX website <https://www.nsx.com.au/ftp/news/021736696.PDF> or by contacting the Company on +61 (8) 9486 4036.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is as attached to the 2018 Annual Report.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (other than the managing director) who were in office at the date of approval of the applicable directors' report (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

The Company's shareholders have approved the Remuneration Report at each previous annual general meeting. A Spill Resolution will not be required at this Annually General Meeting as the votes against the Remuneration Report at the Company's previous annual general meeting were less than 25%. Chair voting undirected proxies [Company please confirm this – i.e previous voting]

The Chair intends to cast all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

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### **3. RESOLUTIONS 2 – 4: RE-ELECTION OF DIRECTORS**

Clause 19.4 of the Constitution requires that at a Director appointed by Board as an additional Director holds office until the next annual general meeting of the Company and is then eligible for re-election.

#### **RESOLUTION 2– RE-ELECTION OF DR ZHINAN YIN AS A DIRECTOR**

Dr Zhinan Yin was appointed to the Board on 1 July 2018. Accordingly, he will retire in accordance with clause 19.4 of the Constitution and being eligible, seeks re-election.

Details of Dr Zhinan Yin's background and experience are set out in the Annual Report.

The Board (other than Dr Zhinan Yin) unanimously supports the re-election of Dr Zhinan Yin as a director and recommends that Shareholders vote in favour of Resolution 2.

#### **RESOLUTIONS 3 and 4 – RE-ELECTION OF MR HUANG HAI AND MR LIBIN GUO AS DIRECTORS**

The Constitution provides that unless otherwise determined by a resolution of the Company, while the Company is listed, one third of the Directors for the time being, or if their number is not a multiple of 3, then the whole number nearest one third, must retire from office at each annual general meeting. A Director who retires or whose office is vacated under this Constitution will be eligible for election or re-election to the Board.

##### **Mr Hai Huang**

Mr Hai Huang, who was appointed to the Board on 3 November 2016 retires at this Annual General Meeting in accordance with clause 20.2 of the Constitution, and being eligible, seeks re-election as a director at the Meeting.

Details of Mr Hai Huang's background and experience are set out in the Annual Report.

The Board (other than Mr Hai Huang) unanimously supports the re-election of Mr Hai Huang as a director and recommends that Shareholders vote in favour of Resolution 3.

##### **Mr Libin Guo**

Mr Libin Guo, who was appointed to the Board on 3 November 2016 retires at this Annual General Meeting in accordance with clause 20.2 of the Constitution, and being eligible, seeks re-election as a director at the Meeting.

Details of Mr Libin Guo's background and experience are set out in the Annual Report.

The Board (other than Mr Libin Guo) unanimously supports the re-election of Mr Libin Guo as a director and recommends that Shareholders vote in favour of Resolution 4.

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#### 4. RESOLUTION 5 – ISSUE OF NEW SHARES IN THE COMPANY

On 8 October 2018, the Company announced that it will seek to raise new funds to pay the remaining cash component of the consideration to acquire 100% of the issued share capital of Medicine Plus (**Acquisition**).

Resolution 5 seeks Shareholder approval for the Board to issue up to 25,000,000 Shares at an issue price of no less than 75% of the 10-day VWAP, to raise capital to complete the Acquisition and to provide Beroni with working capital (**Capital Raising**).

Accordingly, in accordance with NSX Listing Rule 6.25, Shareholder approval is sought to permit the Company to issue up to 25,000,000 Shares at an issue price of no less than 75% of the 10-day VWAP, pursuant to the proposed Capital Raising. If Shareholder approval is given for the Capital Raising, Shares issued by the Company under the Capital Raising will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

The potential dilution to shareholders as a result of the Capital Raising is illustrated as follows:

Number of Shares (currently 70,102,348 on issue)	Amount raised at 75% VWAP (assuming \$0.9375 per share)	Amount raised at 80% VWAP (assuming \$1.00 per share)	Amount raised at 85% VWAP (assuming \$1.0625 per share)	Dilution (%)
Issue of 10,000,000 new Shares	\$9.375 million before costs	\$10 million before costs	\$10.625 million before costs	12.48%
Issue of 25,000,000 new Shares	\$23.437 million before costs	\$25 million before costs	\$26.562 million before costs	26.28%

The following information is provided to Shareholders for the purposes of Listing Rule 6.25:

- (a) The maximum number of Shares proposed to be issued under Resolution 5 is 25,000,000 Shares;
- (b) the recipients of the Shares will be professional and/or sophisticated investors who are unrelated parties of the Company;
- (c) no securities will be issued pursuant to Resolution 5 to Directors of the Company or their associates;
- (d) the securities will be issued progressively no later than three (3) months after the date of this Meeting;
- (e) the Shares will be issued at no less than 75% of the 10-day VWAP;
- (f) the shares will rank pari passu with ordinary shares already on issue;
- (g) the Company will use the funds raised from the Capital Raising to meet the costs of the Acquisition and for working capital; and
- (h) A voting exclusion statement is included in the Notice of Meeting.

As Resolution 5 is an ordinary resolution, it must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolution.

The Directors unanimously recommend that shareholders vote in favour of Resolution 5 to approve the issue of shares.

The Chairman of the Meeting will cast undirected proxies in favour of Resolution 5. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 5, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

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## **5. RESOLUTION 6 – ISSUE OF NEW SHARES IN THE COMPANY**

Resolution 6 seeks Shareholder approval for the Board to issue up to 750,000 fully paid ordinary shares in the Company at a deemed issue price of \$1.25 per share, to employees of the Company (**Employee Shares**).

The purpose of the issue of Employee Shares is to reward them for their performance for the past financial year.

In accordance with NSX Listing Rule 6.25, Shareholder approval is sought to permit the Company to issue up to 750,000 Employee Shares at a deemed issue price of \$1.25 per share. If Shareholders approve Resolution 6, the Employee Shares to be issued by the Company will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

The following information is provided to Shareholders for the purposes of Listing Rule 6.25:

- (a) a maximum number of 750,000 Shares are proposed to be issued under Resolution 6;
- (b) the recipients of the Shares are employees of the Company and are not related parties of the Company;
- (c) no securities pursuant to Resolution 6 will be issued to Directors of the Company or their associates;
- (d) the securities will be issued progressively no later than three (3) months after the date of this Meeting;
- (e) the Shares will be issued at a deemed issue price of \$1.25 per share. As a result, no funds will be raised from the issue;
- (f) the shares will rank pari passu with ordinary shares already on issue; and
- (g) a voting exclusion statement is included in the Notice of Meeting.

As Resolution 6 is an ordinary resolution, it must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolutions.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting will cast undirected proxies in favour of Resolution 6. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 6, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

## 6. RESOLUTIONS 7 TO 12– ISSUE OF SHARES TO RELATED PARTIES

Resolutions 7 to 12 seek Shareholder approval to permit the Company to issue an aggregate of 1,010,000 Shares to related parties, being directors Boqing Zhang, Hai Huang, Libin Guo, Peter Wong, Zhinan Yin and former director Changbin (Chris) Deng (**Related Parties**) as set out below:

Resolution	Related Party	Relationship to Company	Number of shares	Consideration
7	Boqing Zhang	Director	500,000	Services
8	Hai Huang	Director	150,000	Services
9	Libin Guo	Director	130,000	Services
10	Peter Wong	Director	150,000	Services
11	Changbin (Chris) Deng	Director (resigned on 14 April 2019)	40,000	Services
12	Zhinan Yin	Director	40,000	Services

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without the Shareholders approval unless the benefit falls within one of the various exceptions to the general prohibition. A “related party” for the purposes of the Corporations Act includes a director of the Company. “Financial Benefit” has a broad meaning and includes the issue of securities by a public company.

The proposed offer of Shares to Directors Boqing Zhang, Hai Huang, Libin Guo, Peter Wong, Changbin (Chris) Deng, Zhinan Yin, and former director Changbin (Chris) Deng (or their nominees) will form part of their remuneration package. Given the circumstances of the Company and the Directors, the Directors consider that the proposed grant of Shares would constitute reasonable remuneration. Notwithstanding this, the Board has resolved that the Company should also seek Shareholder approval pursuant to Chapter 2E of the Corporations Act as a matter of good corporate governance.

### Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution

- a) The Related Parties to whom Resolutions 7 to 12 would permit the financial benefit to be given are Boqing Zhang, Hai Huang, Libin Guo, Peter Wong, and Zhinan Yin by virtue of being Directors. Changbin (Chris) Deng resigned on 15 April 2019 and is deemed to be a related party under section 228(5) of the Corporations Act.
- b) The nature of the financial benefit:
  - (i) 500,000 Shares to Boqing Zhang;
  - (ii) 150,000 Shares to Hai Huang;
  - (iii) 130,000 Shares to Libin Guo;

- (iv) 150,000 Shares to Peter Wong;
- (v) 40,000 Shares to Changbin (Chris) Deng; and
- (vi) 40,000 Shares to Zhinan Yin.

c) Reasons for giving the benefit

The Shares are being issued to the Related Parties as a reward for past performance.

d) The existing relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares
Boqing Zhang	36,479,190 <sup>1</sup>
Hai Huang	120,000
Libin Guo	100,000
Peter Wong	120,000
Changbin (Chris) Deng	40,000
Zhinan Yin	Nil

<sup>1</sup> Boqing Zhang, Libin Guo and Hai Huang are shareholders of Beroni Technology Limited (incorporated in Seychelles). Beroni Technology owns 35,255,782 shares in the Company. Boqing Zhang, Libin Guo and Hai Huang holding 64.4%, 11.04% and 4.6% of Beroni Technology respectively.

e) Total remuneration package

Related Party	Current Financial Year (\$)	Previous Financial year (\$)
Boqing Zhang	40,000	40,000
Hai Huang	30,000	30,000
Libin Guo	20,000	20,000
Peter Wong	40,000	40,000
Changbin (Chris) Deng	30,000	30,000
Zhinan Yin	20,000 <sup>2</sup>	Nil

<sup>2</sup> Appointed on 1 July 2018 with annual director fee of \$40,000.

f) Dilution

A total of 1,010,000 Shares are proposed to be issued to the directors under Resolutions 7 to 12. The Company's issued share capital will increase from 70,102,348 Shares to:

- (i) 71,112,348 (assuming no other Shares are issued) with the effect that existing Shareholders will be diluted by 1.4%; or
- (ii) 96,862,348 (assuming all other Shares for which approval is sought under this Notice of Meeting are issued) with the effect that existing Shareholders will be diluted by 1%.

g) Valuation of the financial benefit to be given to the Related Parties:

The value of the Shares proposed to be issued to the Related Parties is set out below:

Related Party	Number of Shares	Market Value based on the closing price on 12 March 2019 of \$1.25 per Share
Boqing Zhang	500,000	\$625,000
Hai Huang	120,000	\$150,000
Libin Guo	100,000	\$125,000
Peter Wong	120,000	\$150,000
Changbin(Chris) Deng	40,000	\$50,000
Zhinan Yin	40,000	\$50,000

h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

**NSX Listing Rule 6.44**

NSX Listing Rule 6.44 requires a listed company to obtain Shareholder approval by special resolution prior to the issue of securities to a related party. For the purposes of Listing Rule 6.44, the following information is provided about the proposed issue:

- (a) The Shares will be issued to Boqing Zhang, Hai Huang, Libin Guo, Peter Wong and Changbin (Chris) Deng, being Directors of the Company. Changbin (Chris) Deng resigned on 15 April 2019 and is deemed to be a related party under s228(5) of the Corporations Act.
- (b) The maximum number of Shares to be issued to the Related Parties is as follows:
  - (i) 500,000 Shares to Boqing Zhang;
  - (ii) 150,000 Shares to Hai Huang;
  - (iii) 130,000 Shares to Libin Guo;
  - (iv) 150,000 Shares to Peter Wong;
  - (v) 40,000 Shares Changbin (Chris) Deng; and
  - (vi) 40,000 Shares to Zhinan Yin.



- (c) the Shares will be issued in consideration for services. Accordingly, no funds will be raised from the issue.
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any NSX waiver or modification of the Listing Rules) and it is intended that the issues will occur on the same date.
- (e) the Shares will rank pari passu with existing Shares already on issue.
- (f) A voting exclusion statement is included in the Notice.

#### **NSX Listing Rule 6.25**

NSX Listing Rule 6.25 provides that a listed company must not, without shareholder approval, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid Ordinary Securities on issue at the commencement of that 12 month period (subject to specified exceptions).

In accordance with NSX Listing Rule 6.25, Resolutions 7 to 12 seek Shareholder approval to permit the Company to issue up to a total of 1,010,000 fully paid ordinary shares to the Directors and former director, Boqing Zhang, Hai Huang, Libin Guo, Peter Wong, Zhinan Yin, and Changbin (Chris) Deng (or their nominees) for services so that the new shares to be issued by the Company under Resolutions 7 to 12 will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

The following information is provided to Shareholders for the purposes of NSX Listing Rule 6.25:

- (a) A maximum of 1,010,000 Shares are proposed to be issued under Resolutions 7 to 12;
- (b) the recipients are the directors Boqing Zhang, Hai Huang, Libin Guo, Peter Wong, Zhinan Yin, and former director, Changbin (Chris) Deng;
- (c) the Shares will be issued no later than one (1) month after the date of this Annual General Meeting;
- (d) the Shares will be issued in consideration for services. Accordingly, no funds will be raised from the issue;
- (e) the Shares will rank pari passu with existing Shares already on issue;
- (f) no funds will be raised by the Company for Shares issued under Resolutions 7 to 12; and
- (g) A voting exclusion statement for Resolutions 7 to 12 is included in the Notice of Meeting.

#### **Recommendations**

- a) Boqing Zhang declines to make a recommendation to Shareholders in relation to Resolution 7 as he has a material personal interest in the outcome of Resolution 7. Boqing Zhang and his associates will not be entitled to vote on Resolution 7. The Directors, other than Mr Boqing Zhang, recommends that Shareholders vote in favour of Resolution 7.
- b) Hai Huang declines to make a recommendation to Shareholders in relation to Resolution 8 as he has a material personal interest in the outcome of Resolution 8. Hai Huang and his associates will not be entitled to vote on Resolution 8. The Director, other than Hai Huang recommend that Shareholders vote in favour of Resolution 8.

- c) Libin Guo declines to make a recommendation to Shareholders in relation to Resolution 9 as he has a material personal interest in the outcome of Resolution 9. Libin Guo and his associates will not be entitled to vote on Resolution 9. The Directors, other than Libin Guo recommend that Shareholders vote in favour of Resolution 9.
- d) Peter Wong declines to make a recommendation to Shareholders in relation to Resolution 10 as he has a material personal interest in the outcome of Resolution 10. Peter Wong and his associates will not be entitled to vote on Resolution 10. The Board, other than Peter Wong, recommend that Shareholders vote in favour of Resolution 10.
- e) The Board recommends that Shareholders vote in favour of Resolution 11.
- f) Zhinan Yin declines to make a recommendation to Shareholders in relation to Resolution 12 as he has a material personal interest in the outcome of Resolution 12. Zhinan Yin and his associates will not be entitled to vote on Resolution 12. The Board, other than Zhinan Yin, recommends that Shareholders vote in favour of Resolution 12.

In forming their recommendations, each Director considered the experience and contribution of each other Related Party, the current market price of Shares and the current market practices when determining the number of Shares to be issued.

As each of the Resolutions 7 to 12 are special resolutions, each Resolution must be approved by at least 75% of the total number of votes cast by Shareholders entitled to vote on the resolution.

The Chairman of the Meeting will cast undirected proxies in favour of the Resolutions 7 to 12. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 7 to 12, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

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## 7. RESOLUTION 13 – APPOINTMENT OF AUDITOR UPON RESIGNATION

Prosperity Advisers Audit Services Pty Ltd (**Prosperity**) has been the auditor of the Company since the 2017 financial year. The Board has been satisfied with the services of Prosperity as Company auditor and thanks Prosperity for its services provided.

Given the Company's expanding operations in Australia, China, Japan and soon in the USA, the Audit Committee has reviewed the Company's audit requirements and considers that in accordance with good governance practice, it is appropriate that the Company's auditor is changed. As a consequence, the Company has requested Prosperity to apply to ASIC under subsection 329(5) of the Corporations Act for ASIC's consent to resign as auditor of the Company with effect from the end of the Annual General Meeting. If ASIC notifies Prosperity that it consents to Prosperity's resignation prior to the Annual General Meeting, Prosperity will give its notice of resignation to the Company with effect from the end of Annual General meeting. Otherwise, the resignation of Prosperity will take effect on the day on which ASIC gives its consent to the resignation, or on the day (if any) fixed by ASIC for the purpose.

As the auditor cannot resign without ASIC's consent, Resolution 13 is conditional on ASIC's consent.

In accordance with section 328B(1) Corporations Act, the Company has received a written notice of nomination from Mr Peter Wong, being a shareholder of the Company, nominating UHY Haines Norton (**UHY**) as the new auditor of the Company upon the resignation of Prosperity. A copy of the notice of nomination of UHY received by the Company from Mr Peter Wong is attached as **Annexure A**.

Subject to the ASIC's consent to the resignation of Prosperity, UHY has consented in writing to act as auditor of the Company. As at the date of this Notice of Meeting, UHY has not withdrawn its consent.

UHY does not provide any services to the Company and the Company confirms that it is unaware of any matter or circumstances that would give rise to a 'conflict of interest situation', as defined in section 324CD Corporations Act, in relation to the Company

The Audit Committee has also noted that UHY is registered as an auditor under section 1280 Corporations Act and is a well-established firm with the necessary expertise in auditing public listed companies and has the resources to meet the Company's on-going corporate requirements. Consequently, subject to the Company receiving all necessary approvals from ASIC and shareholder approval at the Annual General Meeting, UHY has been nominated and selected to become the new auditor of the Company.

Resolution 13 seeks Shareholder approval for the appointment of UHY as the Company's auditor upon the resignation of Prosperity. Resolution 13 is conditional on Prosperity receiving ASIC's consent to its resignation as the Company's auditor. Subject to ASIC consenting to Prosperity's resignation as the Company's Auditor, the Directors unanimously recommend that Shareholders vote in favour of Resolution 13 to appoint UHY as the Company's auditor on the close of the Annual General Meeting.

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## **8. ENQUIRIES**

Shareholders are required to contact the Company Secretary, Mr Chen Chik (Nicholas) Ong, on (+61 8) 9486 4036 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**AEST** means Australian Eastern Standard Time

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

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

**Board** means the current board of directors of the Company.

**Chair** means the Chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means BERONI GROUP LIMITED (ACN 613 077 526).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that NSX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

**NSX** means National Stock Exchange of Australia Limited ABN 11 000 902 063 or the National Stock Exchange, as the context requires.

**NSX Listing Rules** means the Listing Rules of NSX.

**Ordinary Securities** has the meaning set out in the NSX Listing Rules.

**Prosperity** means Prosperity Advisers Audit Services Pty Ltd

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the Remuneration Report as attached to this notice of AGM.

**Resolutions** means the resolutions set out in this Notice, or any one of them, as the context requires.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a holder of a Share.

**UHY** means UHY Haines Norton.

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**PROXY FORM**  
**Appointment of Proxy**  
**Beroni Group Limited ACN 613 077 526**

**ANNUAL GENERAL MEETING**

I/We

of

Appoint

being a member of BERONI GROUP LIMITED entitled to attend and vote at the Annual General Meeting, hereby

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given the Chairman intends to vote in favour of each item of business, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 12:00pm (AEST), on 31 May 2019 at Suite 401, Level 4, 447 Kent Street, Sydney NSW 2000 Australia and at any adjournment thereof.

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 – ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – ELECTION AND RE-ELECTION OF DIRECTOR – Dr Zhinan Yin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – ELECTION AND RE-ELECTION OF DIRECTOR – Mr Hai Huang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – ELECTION AND RE-ELECTION OF DIRECTOR – Mr Libin Guo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – ISSUE OF NEW SHARES IN THE COMPANY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – ISSUE OF NEW SHARES IN THE COMPANY TO EMPLOYEES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – ISSUE OF SHARES TO RELATED PARTY – Mr Boqing Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – ISSUE OF SHARES TO RELATED PARTY – Mr Huang Hai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – ISSUE OF SHARES TO RELATED PARTY – Mr Libin Guo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – ISSUE OF SHARES TO RELATED PARTY – Mr Peter Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – ISSUE OF SHARES TO RELATED PARTY – Mr Changbin (Chris) Deng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – ISSUE OF SHARES TO RELATED PARTY – Dr Zhinan Yin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 – APPOINTMENT OF AUDITOR UPON RESIGNATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**BERONI GROUP LIMITED**  
**ACN 613 077 526**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Minerva Corporate, PO Box 5638, St Georges Tce, Perth, WA 6831; or
  - (b) facsimile to the Company Secretary on facsimile number (+61 8) 9486 4799,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**