

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice and should be read in conjunction with the Notice of Meeting.

1. Financial Statements and Reports

The Corporations Act requires the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 31 December 2019 to be laid before the AGM. Shareholders will be provided with a reasonable opportunity to ask questions about the reports. There is no requirement either in the Corporations Act or the Company's Constitution that the Shareholders vote on or approve the reports.

Shareholders can access a copy of the Company's Annual Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2019 on the National Stock Exchange of Australia's (NSX) website: www.nsx.com.au

2. Resolution 1 – Re-election of Mr. Chen Jiwu

In accordance with the Clause 19 of the Company's Articles of Association, the director shall retire and being eligible for re-election offer them self for re-election at the annual general meeting of shareholders.

The directors (other than Mr. Chen Jiwu) recommend that shareholders vote in favour of Resolution 1.

3. Resolution 2 – Re-election of Mr. Li Jun

In accordance with the Clause 19 of the Company's Articles of Association, the director shall retire and being eligible for re-election offer them self for re-election at the annual general meeting of shareholders.

The directors (other than Mr. Li Jun) recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-appoint Messrs Danny Loo & Co PLT as Auditors of the Company and to authorize the Directors to determine their remuneration

The Company Seeks to re-appoint Messrs Danny Loo & Co PLT as Auditors of the Company.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

By Order of the Board,

Mr. Chen Jiwu

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned over the text 'By Order of the Board,' and 'Mr. Chen Jiwu'.