



NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

Date

Friday, 31 July 2020

Time

11.00am (local Malaysian time), 1.00pm Australian Eastern Standard Time (AEST)

Venue

Suite B, Level 6, Annexe Block, Bangunan Amoda, No. 22, Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Your vote is important

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

Voting in person

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

Voting by proxy

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

Note

Due to the rapidly evolving COVID-19 outbreak and in accordance with the Malaysian Government's Movement Control Order, the Company requires that if a shareholder wishes to attend the Company's AGM in person they confirm their attendance by emailing the Company at saramanisgroup@gmail.com, no later than 29 July 2020.

In the event that the Company is required to make alternative arrangements for the AGM, an announcement will be lodged with NSX.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the sixth Annual General Meeting of Shareholders of Saramanis Ltd (**Company**) will be held at 11.00am (local Malaysian time), 1.00pm Australian Eastern Standard Time (AEST), on Friday, 31 July 2020 at Suite B, Level 6, Annexe Block, Bangunan Amoda, No. 22, Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

AGENDA

Annual Report

To consider and receive the Financial Report and the Reports of the Directors and Auditor for the year ended 31 December 2019.

Resolution 1. Remuneration Report

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

“That, the Remuneration Report for the year ended 31 December 2019 is adopted.”

Voting Exclusion: The Company will, in accordance with the requirements of the Corporations Act, disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel (KMP’s) named in Saramanis’ Remuneration Report or that KMP’s closely related parties, unless the vote is cast by a person as Proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

Resolution 2. Re-election of Anson Fu Cong Qiao

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

“That Anson Fu Cong Qiao, who retires in accordance with Clause 20.2 of the Company’s Constitution and, being eligible offers himself for re-election, is re-elected as a Director of the Company.”

Resolution 3. Ratification of issue of shares made to Ms Wong Mei Kwan

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

“That, for the purposes of NSXA Listing Rule 6.25(1) and for all other purposes, Shareholders ratify and approve the prior issue of 42,706,000 Shares at A\$0.017 per Share made on 1 July 2019 to Ms Wong Mei Kwan for the purposes and on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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 proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Resolution 4. Ratification of issue of shares made to Ms Wong Mei Kwan

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

“That, for the purposes of NSXA Listing Rule 6.25(1) and for all other purposes, Shareholders ratify and approve the prior issue of 14,783,075 Shares at A\$0.016 per Share made on 6 March 2020 to Ms Wong Mei Kwan for the purposes and on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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 proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Saramanis Ltd

ACN: 603 108 925

A Proxy Form is attached.

To be valid, properly completed forms must be received by the Company no later than at 11.00am (local Malaysian time), 1.00pm Australian Eastern Standard Time (AEST) on Wednesday 29 July 2020.

By Order of the Board

Jason Jong Tze Yun

Director

19 June 2020

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

Entitlement to Vote

The Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5pm (local Malaysian time), 7pm Australian Eastern Standard Time (AEST), on Wednesday 29 July 2020.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at Suite B, Level 6, Annexe Block, Bangunan Amoda, No. 22, Jalan Imbi, 55100 Kuala Lumpur, Malaysia on Friday, 31 July 2020 at 11.00am (local Malaysian time), 1.00pm Australian Eastern Standard Time (AEST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether to vote for or against the Resolutions in the Notice of Meeting.

Terms used in this Explanatory Statement will, unless the context otherwise requires, have the same meaning as given to them in the Glossary as contained in this Explanatory Statement.

Resolution 1. Remuneration Report

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 Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 31 December 2019. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Voting consequences

Under the Corporations Act, if at least 25% of the votes cast on a Remuneration Report resolution are voted against the adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company at the second annual general meeting (Spill Resolution).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general 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 financial year ended immediately before the second annual general meeting) 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 by the Shareholders will be the Directors of the Company.

As the Remuneration Report received over 75% of votes in favour at the previous annual general meeting a Spill Resolution is not relevant for this meeting.

Voting Restrictions

Members of the Key Management Personnel and their proxies and Closely Related Parties are restricted from voting on a resolution put to Shareholders that the Remuneration Report of the Company be adopted. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where:

- (a) The Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with specific instructions on how to vote on a resolution to adopt the Remuneration Report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

Resolution 2. Re-election of Anson Fu Cong Qiao

Anson Fu Cong Qiao , who was appointed as a Non-Executive Director on 28 November 2014, retires in accordance with Clause 20.2 of the Company’s Constitution and, being eligible, wishes to stand for re-election as Director of the Company.

Mr. Qiao holds a Bachelor of Economics from Beijing Economic Science University and a Master of Business Administration from Charles Sturt University Australia. He is a Director of IFBC Pty Ltd, an Australian company where he liaises with Chinese investors. He is a member of the Audit and Risk Committee, the Nomination and Governance Committee and the Remuneration Committee.

The Directors, excluding Mr. Qiao, unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 3. Ratification of issue of Shares to Ms Wong Mei Kwan

Approval is being sought under NSXA Listing Rule 6.25(1) for the prior issue of 42,706,000 fully paid ordinary Shares at A\$0.017 per Share.

As announced by the Company, in the Interim Financial Report on 13 September 2019, the Company entered into a convertible loan agreement with Ms Wong Mei Kwan.

Pursuant to the Convertible Loan Agreement, Ms Wong provided the Company with a total loan facility of A\$1,346,269.

As part of the consideration payable to Ms Wong, on 1 July 2019, the Company issued 42,706,000 fully paid ordinary Shares at a deemed issue price of A\$0.017 per Share by utilising the Company’s existing issue capacity.

Funds raised from the issue of the Shares were used by the Company to support further growth, working capital requirements and other business activities.

The Shares issued to Ms Wong rank equally with all existing Shares on the issue.

Subject to certain circumstances, outlined under NSXA Listing Rule 6.25(2), NSXA Listing Rule 6.25(1) prevents a company from issuing or agreeing to issue new securities or other securities with rights of conversion such as an option, in any twelve month period which amount to more than 15% of the Company’s ordinary securities on issue without shareholder approval.

By ratifying the issue of 42,706,000 Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in NSXA Listing Rule 6.25 without the requirement to obtain prior Shareholder approval.

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

Resolution 4. Ratification of issue of shares to Ms Wong Mei Kwan

Approval is being sought under NSXA Listing Rule 6.25(1) for the prior issue of 14,783,075 fully paid ordinary Shares at A\$0.016 per Share. The Shares were issued to Ms Wong Mei Kwan on 6 March 2020.

As detailed in the Explanatory Statement for Resolution 3 of this Notice, the Company issued a further 14,783,075 Shares to Ms Wong by utilising the Company's existing capacity.

Funds raised from the issue of the Shares were used by the Company to support further growth, working capital requirements and other business activities.

The Shares issued to Ms Wong rank equally with all existing Shares on the issue.

Subject to certain circumstances, outlined under NSXA Listing Rule 6.25(2), NSXA Listing Rule 6.25(1) prevents a company from issuing or agreeing to issue new securities or other securities with rights of conversion such as an option, in any twelve month period which amount to more than 15% of the Company's ordinary securities on issue without shareholder approval.

By ratifying the issue of 14,783,075 Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in NSXA Listing Rule 6.25 without the requirement to obtain prior Shareholder approval.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

GLOSSARY

"**Annual General Meeting**" or "**Meeting**" means the meeting convened by the Notice of Meeting;

"**Board**" means the board of Directors of the Company;

"**Chairman**" means chairman of the general 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 dependant 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 Corporation Regulations 2001 (Cth).

"**Company**" means Saramanis Limited ACN 603 108 925;

"**Constitution**" means the Company's constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Corporations Regulation**" means the *Corporations Regulation 2001* (Cth)

"**Directors**" mean the current Directors of the Company;

"**Explanatory Statement**" means this Explanatory Statement as modified or varied by any supplementary Statement issued by the Company from time to time;

"**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;

"**Management**" means the management of the Company.

"**Notice**" or "**Notice of Meeting**" means the notice convening the annual general meeting of the Company to be held on Friday, 31 July 2020 which accompanies this Explanatory Memorandum;

"**NSXA Listing Rules**" means Listing Rule of the National Stock Exchange of Australia;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Resolution**" means a resolution in the form proposed in the Notice of Meeting;

"**Share**" means a fully paid ordinary share in the capital of the Company; and

"**Shareholder**" means a registered holder of a Share in the Company.