

TRS INVESTMENTS LTD

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Dear Shareholder

Please find enclosed notice of the 2016 TRS Investments Limited Annual Meeting which will be held on Friday 30 September 2016 at the Jubilee Building, 545 Parnell Road, Parnell 1052, Auckland, starting at 10:30am. Shareholder registration opens at 10:00am.

Following the successful completion of the transactions on 21 July 2016, the major shareholder in TRS is now HuaHan International Holdings (Hong Kong) Co. Limited (**HuaHan**). Since this date, HuaHan and TRS have actively investigated various investment opportunities. Although no investments have been secured at this time, TRS has an opportunity to secure funding for a future investment.

To achieve this, TRS proposes to issue up to NZ\$2 million of convertible notes (**Notes**) being debt securities that may be converted into equity securities. The terms of the Notes have not been finalised and approval is only sought for Companies Act 1993 purposes as a "major transaction". This will enable TRS to move quickly to secure finance should the need arise as the Board will have the ability to place the Notes without a further shareholder approval.

As currently proposed (and as detailed in this Notice of Meeting), the issue of the Notes may cause TRS to incur obligations that are more than half the value of its assets. This requires a special resolution of shareholders under section 129 of the Companies Act 1993 as a "major transaction". Resolution 5 of this Notice of Meeting seeks this approval from shareholders.

If Resolution 5 in this Notice of Meeting is approved by shareholders, TRS will be authorised to incur liabilities of up to \$2 million (plus interest) by way of an issue of debt or hybrid securities.

If approved, the Board of TRS considers the transaction contemplated by Resolution 5 to be of a benefit to TRS, as it will assist in ensuring funds are readily available should an attractive investment be identified.

The other items of business at the meeting are three directors standing for re-election and seeking authority for the Board to fix the auditors remuneration.

The enclosed shareholder voting form has detailed instructions on how shareholders may lodge their vote, or appoint a proxy to vote on their behalf if they are unable to attend.

Shareholders may submit specific questions to the Board, in advance of the Annual Meeting, by emailing me at ktjack@xtra.co.nz.

I look forward to seeing you then.

Yours faithfully
Keith Jackson
Chairman

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is given that the Annual Meeting of Shareholders of TRS Investments Limited (*TRS* or the *Company*) will be held at the Jubilee Building, 545 Parnell Road, Parnell 1052, Auckland, on Friday, 30 September 2016, commencing at 10.30 am.

AGENDA

The business of the Meeting will include:

A. Accounts and Reports

The financial statements of the Company and consolidated accounts of the Company for the Financial Year ended 31 March 2016 together with the statements and reports of Directors and Auditors attached to the accounts will be laid before the meeting.

B. Chairman's Address

Chairman's address to shareholders, followed by shareholder discussion and questions.

C. Resolutions

D. Special Business

To deal with any other business that may properly be brought before the meeting.

Resolutions

To consider and, if thought fit, to pass the following Ordinary Resolutions:

- 1. Re-election of Keith Jackson:** That Keith Jackson, who retires by rotation in accordance with clause 26 of TRS' constitution and Listing Rule 3.3.11, be re-elected as a Director of the Company.
- 2. Re-election of Johannes Cillers:** That Johannes Cillers, who was appointed a Director by the Board, retires in accordance with the Company's constitution and Listing Rule 3.3.6, be re-elected as a Director of the Company.
- 3. Re-election of Hao Sun:** That Hao Sun, who was appointed a Director by the Board, retires in accordance with the Company's constitution and Listing Rule 3.3.6, be re-elected as a Director of the Company.
- 4. Auditor:** That the Board is authorised to fix the auditor's remuneration in respect of the current financial year.

To consider and, if thought fit, to pass the following Special Resolution:

- 5. Major Transaction:** Pursuant to section 129 of the Companies Act 1993, that the Company is authorised to incur principal obligations of up to \$2 million through an issue of debt securities (including convertible securities) on the terms set out in the explanatory note to this resolution.

Proxies

You may exercise your right to vote at the Meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of TRS. A body corporate shareholder may appoint a representative to attend the meeting on its behalf. No shareholders are disqualified from voting on any of the resolutions in this Notice of Meeting.

A Proxy Form is enclosed with this Notice of Meeting. If you wish to vote by proxy you must complete the Proxy Form and send it to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand.

The completed Proxy Form must be received by no later than 48 hours before the Meeting, being 10.30am on Wednesday, 28 September 2016. Online proxy appointments must also be completed by this time. Voting entitlements of the Meeting will also be determined as at this time. Registered shareholders at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those holders' names at that time may be voted at the Meeting.

Ordinary Resolutions

Resolutions 1 to 4 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those holders of securities of TRS which carry votes, are entitled to vote and are voting on the resolutions in person or by proxy.

Special Resolution

Resolution 5 is a special resolution. A special resolution is a resolution passed by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

If Resolution 5 is passed and any shareholder has cast all the votes attached to the shares registered in that shareholder's name and having the same beneficial owner, against that resolution, then that shareholder is entitled to require the Company to purchase those shares in accordance with section 110 of the Companies Act 1993 (**Act**). The Appendix to this Notice of Meeting sets out the applicable procedure for this.

Shareholders should note that the Act provides for the Company to acquire (or procure the acquisition of) the relevant shares at a fair and reasonable price as at the close of business on the day before the date of the Meeting. The Company is currently a listed shell with minimal assets. Its operational costs are financed through a debt facility provided by its majority shareholder. The price offered for your shares would not take account of any value that the transactions described in this Notice may potentially create for your shares and without the benefit of these transactions it is likely that a fair and reasonable price for your shares will be nil, given the Company has no surplus assets.

On this basis, shareholders considering exercising this right are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if you do desire to exit your shareholding, seek advice on whether you may get better value for your shares by selling on-market against exercising these rights.

NZX Approval

This Notice of Meeting has been approved by NZX Limited (**NZX**). However, NZX does not take responsibility for any statement contained in this Notice of Meeting.

Listing Rule References

In this Notice of Meeting, references to the Listing Rules are references to the listing rules of the NZX Main Board.

EXPLANATORY NOTES

Resolution 1: Re-election of Keith Jackson (*Keith*)

As required under Listing Rule 3.3.11, Keith retires by rotation and, being eligible, offers himself for re-election as Director. The Board considers Keith an Independent Director for the purposes of the Listing Rules.

Keith is the current Chairman of the Board. Keith has an extensive background in management and governance with particular emphasis on the food and dairy industries.

Keith was CEO of Tegel Foods for 16 years from 1980 to 1996, Deputy Chairman of Ernest Adams from 1998 and Managing Director of Independent Dairy Producers, a small fresh milk company. Keith is currently the Executive Chairman of NZX listed Cooks Global Foods Limited.

Keith has a Bachelor of Commerce from Otago University.

The Board unanimously recommends that shareholders vote in favour of Keith's re-election as Director.

Resolution 2: Re-election of Johannes (*John*) Cillers

As required under Listing Rule 3.3.6, John, who was appointed as a Director by the Board, retires from office and, being eligible, offers himself for re-election. The Board considers John an Independent Director for the purposes of the Listing Rules.

John has been actively involved in NZX Alternative Market listings and compliance, business acquisitions, commercialisation and the implementation of systems to support organisational growth. John is the CFO and Company Secretary of NZAX listed Lateral Corporation Limited. He was formerly the CFO of Pulse Energy Limited.

John has a Bachelor of Commerce from the University of Pretoria in South Africa and is a member of Chartered Accountants Australia and New Zealand.

The Board unanimously recommends that shareholders vote in favour of John's re-election as Director.

Resolution 3: Re-election of Hao (*Ryan*) Sun

As required under Listing Rule 3.3.6, Ryan, who was appointed as a Director by the Board, retires from office and, being eligible, offers himself for re-election. The Board does not consider Ryan to be an Independent Director for the purposes of the Listing Rules as he is an associated person of HuaHan (a Substantial Product Holder of TRS).

Ryan is a qualified Chinese lawyer and has a Bachelor of Laws from Liaoning Normal University in China. Ryan gained extensive experience in international investment and commercial law in his role with the law firm Bei Jing Yingke, DaLian Branch. In particular, Ryan guided Chinese corporate clients with making direct investments into the United States.

The Board unanimously recommends that shareholders vote in favour of Ryan's re-election as Director.

Resolution 4: Auditors

BDO is automatically reappointed as auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Resolution 5: Major Transaction

Purpose of Resolution 5

If Resolution 5 is approved the Company will have authorisation to enter into debt obligations of up to \$2 million (**Approved Amount**).

Given the Approved Amount may represent an obligation on the Company the value of which is more than half the value of the Company's assets before the transaction, it is subject to approval by special resolution of shareholders under section 129 of the Companies Act 1993 (**Act**) as a "major transaction". Resolution 5 seeks to obtain that approval. As mentioned above under 'Special Resolutions', the Company is a listed shell company with minimal assets. The Company's largest asset is a \$75,000 bond on deposit with ANZ and used as security for a guarantee in favour of NZX Limited under the Listing Rules. Other assets are cash on hand held at any given time and other immaterial items.

Background to Resolution 5

The Company understands that HuaHan have been in discussions with Chinese based investors who have shown an interest in investing in the Company. The potential investors have discussed investing through the Notes. These discussions continue and at the date of this Notice of Meeting the terms on which any Notes are to be issued have not been agreed.

The Company understands that these potential investors are not associated with or related to HuaHan or HuaHan's business operations.

If Resolution 5 is passed and investors are secured, the Board of the Company will likely issue the necessary convertible securities (on the terms negotiated) under its placement capacity under Listing Rule 7.3.5. If shareholders pass Resolution 5, the Company must issue the Notes within three (3) years of such approval being given or else such approval will lapse.

Proposed terms of Notes

The terms on which any Notes are to be issued have not been finalised and no investors have been secured for the Notes at this time. However, as at the date of this Notice of Meeting, it is being discussed that the Notes will be issued on the following terms:

- the Notes will be convertible to fully paid ordinary shares at the Company's sole option within three (3) years from the date on which the Notes are issued;
- the Notes will have a conversion price that is no lower than NZ\$0.02 to receive one ordinary share;
- the total amount raised under the Notes will not exceed NZ\$2 million;
- the Notes will be unsecured; and
- interest payable by the Company on the Notes shall not exceed 4% per annum.

The Board of TRS considers these parameters for the terms of the Notes to be favourable for TRS and will negotiate with investors within these parameters. Until the terms are finalised and agreed with investors they may be varied or additional terms (such as penalty interest or other penalties for breach) included but only within the parameters described above.

The terms on which the Notes will be issued will be negotiated and agreed on a commercial arm's length basis between TRS and investors.

Shareholders should note that the claims of Note holders on the assets of TRS (in the event of a winding up of TRS) will rank ahead of the claims of shareholders. It is expected that the claims of Note holders will rank equally with the claims of all other creditors of TRS (including HuaHan under the working capital facilities that it provides to TRS) however subordination

arrangements may be agreed through the course of investor negotiations. At the date of this Notice of Meeting TRS has no secured creditors.

Dilution Effect

However, based on the terms noted above and the Company's current holding, if the Company elected to convert the Notes the conversion would have the following dilutionary effect:

Current Shares on Issue	1,212,710,484
Shares Issued on Conversion	100,000,000
Total Shares on Issue post-Conversion	1,312,710,484
Example Shareholder: pre-Conversion percentage holding	10%
Example Shareholder: post-Conversion percentage holding	9.238%

Potential Investors

As noted above, TRS has not at the date of this Notice of Meeting secured investors for the Notes. It is not presently intended to offer Notes to:

- HuaHan (or associated persons of HuaHan);
- TRS' Directors;
- associated persons of TRS or TRS's Directors; or
- current shareholders of TRS.

If this intention changes and Notes are offered to these persons, such offer will only be made in compliance with the Listing Rules (for example, Listing Rule 9.2 - Transactions with Related Parties).

There remains a chance that TRS will not secure investors, not be able to agree the terms of the Notes within the parameters described above or for any other reason may become unable to issue the Notes. The Board of TRS may then need to secure funding by other means in order to make future investments. The Board has not yet considered alternative financings.

Proposed Investment Strategy

As noted in the Company's notice of special meeting dated 24 June 2016, although no definitive decision has been made on future investment, investment opportunities will likely be sought in three areas:

1. exporting New Zealand products to China;
2. real estate development in New Zealand; and
3. the acquisition of Chinese assets.

At the date of this Notice of Meeting, no specific investment has been identified or secured. Based on current discussions, the funds received from the Notes will likely be used to pursue a real estate development in New Zealand.

At the date of this Notice of Meeting the Company continues to have no assets of substance. Accordingly, it is probable that, under the Listing Rules, the Company will need to revert to shareholders for the approval of any investment. At this time, full details of such a proposed investment would be disclosed for shareholder consideration.

See page 11 of the notice of special meeting dated 24 June 2016 for further information on the proposed investment strategy for TRS.

Effect of Resolution 5 passing

If shareholders pass Resolution 5, the Company will be authorised to incur debt obligations (up to the Approved Amount) which will arise on issue of the Notes on the current proposed (but not confirmed) terms.

If the transaction in Resolution 5 is approved:

- the Company can secure funds up to the \$2 million without seeking further shareholder approval;

- the Company will be able to approach Chinese based investors with unconditional subscription agreements for the Notes, making the investments more attractive for investors; and
- having secured these funds, the Company can focus on identifying and negotiating an investment.

Effect of Resolution 5 not passing

If shareholders do not pass Resolution 5:

- the Company will need to seek shareholders' approval at a later date in order to approve the obligations necessary to enter into the Notes;
- the subscription agreements for the Notes will need to be conditional on shareholder approval;
- the Company will pursue investment opportunities without the \$2 million; and
- the Company may need to re-consider issuing the Notes as a method for funding future investment.

Appendix: Minority Buyout Rights Procedure

If the shareholders of the Company pass the special resolution set out in Resolution 5, a shareholder that has cast all the votes attached to the shares registered in their name (and having the same beneficial owner) against that special resolution is entitled to require the Company to purchase those shares in accordance with section 110 of the Act.

To exercise that right, that shareholder must give notice requiring the Company to repurchase those shares within 10 working days of the passing of the special resolution. The Board of the Company must, within 20 working days of receiving such notice:

- a) agree to purchase the shares; or
- b) arrange for some other person to agree to purchase the shares; or
- c) apply to the Court for an order exempting it from purchasing the shares under section 114 or section 115 of the Act; or
- d) arrange, before the resolution becomes effective, for the resolution to be rescinded by special resolution in accordance with section 106 of the Act or decide in the appropriate manner not to take the action concerned (as the case may be); and
- e) give written notice of the Board's decision to the relevant shareholder.

Where the Board agrees to the purchase of the shares by the Company, it must within 5 working days of giving notice under (e) above, give written notice of the price to the shareholder that it offers for those shares. The price must be a fair and reasonable price (as at the close of business on the day before the date that the resolution was passed) and calculated as follows:

- a) first, the fair and reasonable value of the total shares in each class to which the shares belong must be calculated (the Class Value);
- b) secondly, each Class Value must be adjusted to exclude any fluctuation (whether positive or negative) in the Class Value that has occurred (whether before or after the resolution was passed) that was due to, or in expectation of, the event proposed or authorised by the resolution;
- c) thirdly, a portion of each adjusted Class Value must be allocated to the shareholder in proportion to the number of shares they hold in the relevant class.

However, a different methodology from that set out above may be used to calculate the fair and reasonable price for the shares if using the methodology set out above would be clearly unfair to the shareholder or the Company. The written notice to the shareholder must state how (a) to (c) above was calculated or why using this methodology was clearly unfair to the Company or the shareholder.

A shareholder may object to the price offered for the shares by giving notice of their objection to the Company within 10 working days of receiving notice of the price offered. If the shareholder does not object or accepts the offer, the Company must purchase the shares at the nominated price no later than 10 working days after the date that the offer is accepted or the date that is 10 working days after the date that notice of the price offered was given to the shareholder. These time periods may be adjusted by agreement between the Company and the shareholder.

If an objection to the price has been received by the Company, the following issues must be submitted to arbitration:

- a) the fair and reasonable price for the shares, on the basis set out in section 112(2) and (3) of the Act; and
- b) the remedies available to the shareholder or the Company in respect of any price for the shares that differs from that determined by the Board of the Company under section 112 of the Act.

The Company must, within 5 working days of receiving the objection, pay to the shareholder a provisional price in respect of each share equal to the price offered by the Board. If the price determined for the shares by the arbitrator:

- a) exceeds the provisional price paid, the arbitrator must order the Company to pay the balance owing to the shareholder;
or
- b) is less than the provisional price paid, the arbitrator must order the shareholder to pay the excess to the Company.

Except in exceptional circumstances, the arbitrator must award interest on any balance owing or excess to be paid. If a balance is owing to the shareholder, the arbitrator may award to the shareholder, in addition to or instead of an award of interest, damages for loss attributable to the shortfall in the initial payment. Any sum that must be paid in accordance with the arbitrator's decision must be paid no later than 10 days after the date of the arbitrator's determination, unless the arbitrator specifically orders otherwise.

Where the Company agrees to arrange a third party to purchase the shares, the provisions set out above apply (subject to such modifications as may be necessary) to that purchase of the shares. Every shareholder whose shares are purchased through a third party pursuant to such an arrangement is indemnified by the Company in respect of loss suffered by reason of the failure by the third party who has agreed to purchase the shares to purchase them at the price nominated or fixed by arbitration, as the case may be.