



Notice of 2016 Annual General Meeting

NOTICE is hereby given that the 2016 annual general meeting of TTG Fintech Limited ARBN 158 702 400 ("the Company") will be held at 10:30am (China time), 12:30pm (Sydney time) on Friday 9 September 2016, at Level 12, Block 2, Xunmei Tech Plaza, No. 8 Keyuan Blvd, Nanshan District, Shenzhen 518000, China. ("**Meeting**")

If you are unable to attend the meeting, we encourage you to complete and return the enclosed CDI Voting Instruction Form. The completed CDI Voting Instruction Form must be received at the address shown on the Form before the time fixed for the Meeting or an adjournment thereof, being no later than 10:30am (China time) 12:30pm (Sydney Time) on 6 September 2016.

ORDINARY BUSINESS

1. 2016 Financial Statements

To receive and consider the financial statements, the reports of the Directors and Auditors and other documents required to be annexed to the financial statements for the year ended on 31 March 2016 and as lodged with Australian Securities Exchange (ASX).

No resolution is required by law in respect of this agenda item. However, it will provide shareholders with the opportunity to ask the Directors any questions in relation to the financial statements.

2. Remuneration of Directors

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

"Subject to not increasing the total amount of Director fees payable to the non-executive Directors (previously approved at the 2014 Annual General Meeting), that for the purpose of Article 70 (e) of the Articles of Association, the Directors, with the advice from the remuneration committee, be authorised to fix the remuneration of the Directors for the year ending 31 March 2017."

3. Re-election of Director – XIONG, Qiang

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

"That XIONG, Qiang (Executive Director) retires as a director in accordance with Article 104 of the Company's Articles of Association and the ASX Listing Rules, and, being eligible, is re-elected as a director of the Company."

4. Re-election of Director – CHOW, Ki Shui Louie

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

"That CHOW, Ki Shui Louie (Executive Director) retires as a director in accordance with Article 104 of the Company's Articles of Association and the ASX Listing Rules, and, being eligible, is re-elected as a director of the Company."

5. Re-appointment of Auditors

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

"That Crowe Horwath (HK) CPA Limited being auditors of the Company be re-appointed auditors and that the directors be authorised to fix their remuneration."

SPECIAL BUSINESS

6. Approval of conversion mechanism in the Convertible Bond Agreement – Mr Qiang XIONG

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the operation of the conversion mechanism in the Convertible Bond Agreement between the Company and Mr Qiang XIONG, such that the Loan from Mr Qiang XIONG becomes a convertible Loan a form of 'equity security', in any event, no later than 1 month from the date of the General Meeting, together with the issue of Shares upon conversion of the convertible Loan on the terms and conditions set out in the Explanatory Statement".

Short Explanation: This Resolution approves the issue of an 'equity security' (in the form of a convertible loan) to Mr Qiang XIONG, a Director of the Company, including the allotment and issue of the Conversion Shares on conversion of the convertible loan. Prior approval is being obtained under Listing Rule 10.11 as the Loan (once convertible), is deemed to be an 'equity security' under Listing Rule 10.11 and Mr Qiang XIONG is a 'related party' of the Company.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Mr Qiang XIONG and any associates of that person.

However, the Company need not disregard a vote cast in favour 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 a direction on the proxy form to vote as the proxy decides.

Associate has the meaning given to it by Sections 12 and 16 of the Corporations Act.

7. Approval of conversion mechanism in the Convertible Bond Agreement – Mr Ki Shui Louie CHOW

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the operation of the conversion mechanism in the Convertible Bond Agreement between the Company and Mr Ki Shui Louie CHOW, such that the Loan from Mr Ki Shui Louie CHOW becomes a convertible Loan a form of 'equity security', in any event, no later than 1 month from the date of the General Meeting, together with the issue of Shares upon conversion of the convertible Loan on the terms and conditions set out in the Explanatory Statement".

Short Explanation: This Resolution approves the issue of an 'equity security' (in the form of a convertible loan) to Mr Ki Shui Louie CHOW, a Director of the Company, including the allotment and issue of the Conversion Shares on conversion of the convertible loan. Prior approval is being obtained under Listing Rule 10.11 as the Loan (once convertible), is deemed to be an 'equity security' under Listing Rule 10.11 and Mr Ki Shui Louie CHOW is a 'related party' of the Company.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Mr Ki Shui Louie CHOW and any associates of that person.

However, the Company need not disregard a vote cast in favour 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 a direction on the proxy form to vote as the proxy decides.

Associate has the meaning given to it by Sections 12 and 16 of the Corporations Act.

8. Approval of conversion mechanism in Convertible Bond Agreement – Mr Wen Sheng CAI

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval be given for the operation of the conversion mechanism in the Convertible Bond Agreement between the Company and Mr Wen Sheng CAI, such that the Loan from Mr Wen Sheng CAI becomes a convertible Loan a form of 'equity security', in any event, no later than 1 month from the date of the General Meeting, together with the issue of Shares upon conversion of the convertible Loan on the terms and conditions set out in the Explanatory Statement".

Short Explanation: This Resolution approves the issue of an 'equity security' (in the form of a convertible loan) to Mr Wen Sheng CAI, a Director of the Company, including the allotment and issue of the Conversion Shares on conversion of the convertible loan. Prior approval is being obtained under Listing Rule 10.11 as the Loan (once convertible), is deemed to be an 'equity security' under Listing Rule 10.11 and Mr Wen Sheng CAI is a 'related party' of the Company.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Mr Wen Sheng CAI and any associates of that person.

However, the Company need not disregard a vote cast in favour 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 a direction on the proxy form to vote as the proxy decides.

Associate has the meaning given to it by Sections 12 and 16 of the Corporations Act.

9. General Mandate to Issue and Allot New Shares

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

- "(A) That, subject to any Shareholder approval requirements of the ASX Listing Rules in relation to issuing new securities (including without limitation ASX Listing Rules 7.1 and 10.11), general and unconditional approval for the purposes of section 141 of the Hong Kong Companies Ordinance be and is hereby given for the Directors to exercise any power of the Company during the Relevant Period (as defined below) to issue, allot, offer or otherwise deal with or dispose of shares in the Company, and to make or grant offers, agreements or options (including but not limited to the convertible notes, warrants, options, bonds, debentures, notes, and other securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such powers, to any persons, and on and subject to such terms as the Directors may determine, including to persons other than the existing Shareholder(s), or to the Shareholder(s) otherwise than in proportion to their existing shareholdings in the Company, during the Relevant Period (as defined below);*
- (B) the approval in paragraph (A) above shall authorise the Directors to make or grant offers, agreements or options (including but not limited to convertible notes, warrants, options, bonds, debentures, notes, and other securities which carry rights to subscribe for or are convertible into shares in the Company) during the Relevant Period, which would or might require the exercise of such powers after the end of the Relevant Period, in accordance with section 141(5) of the Hong Kong Companies Ordinance; and*

- (C) *for the purposes of this resolution, “**Relevant Period**” means the period from passing of this resolution until whichever is the earliest of:*
- (i) *the conclusion of the next annual general meeting of the Company;*
 - (ii) *the expiration of the period within which the next annual general meeting of the Company is required in accordance with the articles of association of the Company, or any applicable law, to be held; or*
 - (iii) *the revocation or variation by ordinary resolution of the Shareholder(s) in general meeting.”*

Short Explanation: Under this resolution, the Board seeks Shareholder approval for a general mandate to issue and allot shares in the Company, which would replace the general mandate granted at the 2015 annual general meeting of the Company. The current general mandate will give the Company broader rights to issue securities during the Relevant Period (as defined in the Resolution), including convertible securities such as convertible notes.

10. Approval of the 10% placement facility

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities (as defined below) up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

For the purposes of this resolution: Equity Securities has the meaning given to that term in ASX Listing Rule 19.12; and Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

Short Explanation: This Resolution will enable the Company to issue Equity Securities up to 10% of its issued capital, through placements over a 12 month period, after the Meeting (10% Placement Facility). This 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Voting Exclusion Statement

In accordance with the Listing Rule 14.11, the Company will disregard votes cast by:

- 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, or
- an associate of such person.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Associate has the meaning given to it by Sections 12 and 16 of the Corporations Act.

Note: The proposed allottees of any Equity Securities under the 10% placement facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of this Resolution), CDI holders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

NOTES

(i) Voting entitlements

The directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Meeting and CHESS Depositary Interest ("CDI") holding of CDI holders will be taken to be held by the persons who are registered as members at 7:00pm (Sydney time) 5:00pm (China time) on Tuesday, 6 September 2016. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

(ii) Proxy voting by holder of ordinary shares

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of the Company, 1806 Park-In Commercial Centre, 56 Dundas Street, Kowloon, Hong Kong or fax number (852) 2302 4355 by no later than 10:30am (China time) 12:30pm (Sydney time) on 7 September 2016.

(iii) Proxy voting by holder of CDIs

Holders of CDIs are invited to attend the meeting. CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Limited, at GPO Box 242, Melbourne, Victoria, 3001 Australia (free fax number within Australia: 1800 783 447 or outside Australia: +61 3 9473 2555) in order to direct CHESS Depositary Nominees Pty Ltd. ("CDN") to vote the relevant underlying ordinary shares on his or her behalf or may instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the ordinary shares underlying the CDIs in person at the meeting. In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form before the time fixed for the Meeting or an adjournment thereof, being no later than 10:30am (China time) 12:30pm (Sydney Time) on 6 September 2016.

Dated: 16 August 2016

By order of the Board

Kwok Kin Kwong Gary
Company Secretary

Explanatory Statement

This explanatory statement accompanies the 2016 notice of Meeting of TTG Fintech Limited ARBN 158 702 400 ('Notice') ('the Company') to be held at 10:30am (China time) 12:30pm (Sydney time), on Friday 9 September 2016, at Level 12, Block 2, Xunmei Tech Plaza, No. 8 Keyuan Blvd, Nanshan District, Shenzhen 518000, China.

ITEM 1: 2016 Financial Statements

This item gives shareholders an opportunity to ask questions with respect to the financial statements, the reports of the Directors and Auditors and other documents required to be annexed to the financial statements then ended on 31 March 2016 (**Statements and Reports**).

The Statements and Reports have been filed on the ASX electronic filing system for Market Announcements and are available on the Company website www.ttg.hk or by requesting a copy from the Company Office at the postal address, email address, or facsimile number specified above in Note (ii) Proxies.

ITEM 2: Remuneration of Directors

Article 70(e) of the Company's Memorandum and Articles of Association entitles the Company to fix the remuneration for the Directors for the following year.

Item 2 seeks approval from the shareholders for authorising the Directors with the advice from the remuneration and nomination committee to fix the remuneration of the Directors for the year ending 31 March 2017.

With respect to non-executive director remuneration, this amount will not be fixed above the aggregate amount previously approved at the 2014 Annual General Meeting as such an increase in non-executive director remuneration will require shareholder approval under ASX Listing Rule 10.17.

ITEMS 3 and 4: Re-election of Directors

Pursuant to both the ASX Listing Rules and the Articles of Association, every Director shall be subject to retirement by rotation at least once every three years. Clause 104 (A) of the Articles of Association requires one-third of the Directors to retire at each annual general meeting of the Company. Mr Qiang Xiong and Mr Louie Chow each retire as a director of the Company and offers themselves for re-election.

The resumes of Mr Qiang Xiong and Mr Louie Chow are as follows:

Name and Role	Experience and special responsibilities
Mr XIONG, Qiang	Executive Director, Chairman and CEO of the Company. Mr Xiong is the founder of the Company and was appointed Director on 24 December 2010, the date of incorporation. Mr Xiong has extensive experience in internet, e-commerce and in depth knowledge in payment technology. Mr Xiong is responsible for the formulation of TTG's strategic direction, expansion plans, and the management of TTG's overall business development.
Mr CHOW, Ki Shui Louie	Executive Director, Deputy Chairman and Deputy CEO of the Company. Mr Chow is the founder of the Company and was appointed Director on 24 December 2010, the date of incorporation. Mr Chow is experienced in both domestic and international investment markets, especially in technology and payment sectors.

ITEMS 6, 7 and 8: Approval of conversion mechanism in Convertible Bond Agreement – Mr Qiang XIONG, Mr Ki Shui Louie CHOW and Mr Wen Sheng CAI

Overview

The Convertible Bond Agreements were entered into on 5 August 2016 and document the loans from:

- Mr Qiang XIONG to the Company in the amount of RMB2 million;
- Mr Ki Shui Louie CHOW to the Company in the amount of RMB2 million; and
- Mr Wen Sheng CAI to the Company in the amount of RMB2 million.

Each of Mr Qiang XIONG, Mr Ki Shui Louie CHOW and Mr Wen Sheng CAI are collectively referred to as the 'Lenders'.

A summary of the Convertible Bond Agreements are provided below:

Convertible Bond Agreement – Mr Qiang XIONG

	Detail
The parties:	Mr Qiang XIONG (Lender) Company, the Borrower
The Loan:	RMB2 million from Mr Qiang XIONG
Term:	1 year loan term.
Interest:	0% per annum.
Security:	Unsecured.
Conversion Mechanism:	<p>Subject to the satisfaction of the conditions for conversion (Conversion Conditions) detailed below, the Loan can be repaid by way of ordinary shares in the Company (Conversion Shares).</p> <p>The Loan can be converted into Conversion Shares in whole or in part but only at the election of the Lender at the end of the Term and following a notice of conversion issued to the Company 30 days before the end of the Term.</p> <p>The number of Conversion Shares to be issued is to be calculated at the Conversion Price. The Conversion Price is to be calculated at the exchange rate of AUD/RMB by the RBA calculated on the business day prior to the date of conversion.</p> <p>The Conversion Shares will rank equally with all other existing fully paid ordinary shares on issue</p>
Conversion Price:	Conversion at A\$0.25 per ordinary share.
Conversion Conditions:	<p>The Loan will only become convertible in the event:</p> <p>(a) Resolution 6 and 9 are approved at this General Meeting ;</p> <p>(b) Exercise of the Conversion Conditions will not give rise to an obligation for Mr Qiang XIONG (together with any party acting in concert with it) to make an offer pursuant to Rule 26 of the Hong Kong Takeovers Code.</p>
Adjustment mechanism:	<p>The Conversion Price shall be adjusted from time to time, in a manner permitted by the ASX Listing Rules, as a result of (i) a pro rata bonus issue of CDIs or Shares (excluding an issue for cash or other consideration); (ii) a rights issue of CDIs or Shares or other securities convertible to CDIs or Shares; (iii) a subdivision or consolidation of CDIs or Shares; (iv) any other reorganisation of share capital; or (v) any other act or event which is analogous to any of the above or equity dilutive in nature.</p> <p>This is to ensure that the Lender does not receive any benefit or suffer any detriment different from the Shareholders or CDI Holders, as a result of the above reorganisation events.</p>

Convertible Bond Agreement – Mr Ki Shui Louie CHOW

	Detail
The parties:	Mr Ki Shui Louie CHOW (Lender) Company, the Borrower

The Loan:	RMB2 million from Mr Ki Shui Louie CHOW
Term:	1 year loan term.
Interest:	0% per annum.
Security:	Unsecured.
Conversion Mechanism:	<p>Subject to the satisfaction of the conditions for conversion (Conversion Conditions) detailed below, the Loan can be repaid by way of ordinary shares in the Company (Conversion Shares).</p> <p>The Loan can be converted into Conversion Shares in whole or in part but only at the election of the Lender at the end of the Term and following a notice of conversion issued to the Company 30 days before the end of the Term.</p> <p>The number of Conversion Shares to be issued is to be calculated at the Conversion Price. The Conversion Price is to be calculated at the exchange rate of AUD/RMB by the RBA calculated on the business day prior to the date of conversion.</p> <p>The Conversion Shares will rank equally with all other existing fully paid ordinary shares on issue</p>
Conversion Price:	Conversion at A\$0.25 per ordinary share.
Conversion Conditions:	<p>The Loan will only become convertible in the event:</p> <p>(a) Resolution 7 and 9 are approved at this General Meeting ;</p> <p>(b) Exercise of the Conversion Conditions will not give rise to an obligation for Mr Ki Shui Louie CHOW (together with any party acting in concert with it) to make an offer pursuant to Rule 26 of the Hong Kong Takeovers Code.</p>
Adjustment mechanism:	<p>The Conversion Price shall be adjusted from time to time, in a manner permitted by the ASX Listing Rules, as a result of (i) a pro rata bonus issue of CDIs or Shares (excluding an issue for cash or other consideration); (ii) a rights issue of CDIs or Shares or other securities convertible to CDIs or Shares; (iii) a subdivision or consolidation of CDIs or Shares; (iv) any other reorganisation of share capital; or (v) any other act or event which is analogous to any of the above or equity dilutive in nature.</p> <p>This is to ensure that the Lender does not receive any benefit or suffer any detriment different from the Shareholders or CDI Holders, as a result of the above reorganisation events.</p>

Convertible Bond Agreement – Mr Wen Sheng CAI

	Detail
The parties:	Mr Wen Sheng CAI (Lender) Company, the Borrower
The Loan:	RMB2 million from Mr Wen Sheng CAI
Term:	1 year loan term.
Interest:	0% per annum.
Security:	Unsecured.
Conversion Mechanism:	<p>Subject to the satisfaction of the conditions for conversion (Conversion Conditions) detailed below, the Loan can be repaid by way of ordinary shares in the Company (Conversion Shares).</p> <p>The Loan can be converted into Conversion Shares in whole or in part but only at the election of the Lender at the end of the Term and following a notice of conversion issued to the Company 30 days before the end of the Term.</p> <p>The number of Conversion Shares to be issued is to be calculated at the Conversion Price. The Conversion Price is to be calculated at the exchange rate of AUD/RMB by the RBA calculated on the business day prior to the date of conversion.</p> <p>The Conversion Shares will rank equally with all other existing fully paid ordinary shares on issue.</p>
Conversion Price:	Conversion at A\$0.25 per ordinary share.
Conversion Conditions:	<p>The Loan will only become convertible in the event:</p> <p>(a) Resolution 8 and 9 are approved at this General Meeting ;</p> <p>(b) Exercise of the Conversion Rights will not give rise to an obligation for Mr Wen Sheng CAI (together with any party acting in concert with it) to make an offer pursuant to Rule 26 of the Hong Kong Takeovers Code.</p>

Adjustment mechanism:	<p>The Conversion Price shall be adjusted from time to time, in a manner permitted by the ASX Listing Rules, as a result of (i) a pro rata bonus issue of CDIs or Shares (excluding an issue for cash or other consideration); (ii) a rights issue of CDIs or Shares or other securities convertible to CDIs or Shares; (iii) a subdivision or consolidation of CDIs or Shares; (iv) any other reorganisation of share capital; or (v) any other act or event which is analogous to any of the above or equity dilutive in nature.</p> <p>This is to ensure that the Lender does not receive any benefit or suffer any detriment different from the Shareholders or CDI Holders, as a result of the above reorganisation events.</p>
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The Resolutions

Resolutions 6, 7 and 8 seeks Shareholder approval of the Conversion Mechanism contained in the Convertible Bond Agreements such that the non-convertible Loans will become convertible Loans and the payment obligations of the Company may be satisfied (at the election of the Lenders) by way of the issue of Conversion Shares in the Company calculated at the Conversion Price.

The Conversion Mechanism allows (at the election of the Lenders) for the Loans to be repaid by the issue of Conversion Shares in the Company at a fixed price to the Lenders.

Shareholder approval is required under ASX Listing Rule 10.11 to approve the Loans becoming convertible Loans, (being an 'equity security' security), and hence for the issue of an equity security to a related party.

The law

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception to ASX Listing Rule 10.12 applies.

In the event the Shareholders approve the Conversion Mechanism of the Shareholder Loan, this effectively transforms the loan under the Convertible Bond Agreements into a "convertible security". A convertible security is a form of equity security.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

In the event Resolution 6, 7 and 8 are approved, any Conversion Shares issued upon exercise of the Conversion Mechanism in the Convertible Bond Agreements would then fall under Exception 7 to listing rule 10.12 and not require further shareholder approval under Listing Rule 10.11.

As approval for the issue of the 'equity security' to the Lenders is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

Specific information

Listing Rule 10.13 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 10.11. This information is set out below:

Listing Rule 10.13 requirement	Information
The name of the person:	<p>The equity security in the form of a convertible Loan (i.e. upon the approval of the Conversion Mechanism in the Convertible Bond Agreements by way of Resolutions 6, 7 and 8) is being issued to:</p> <ul style="list-style-type: none"> • Mr Qiang XIONG, director of the Company; • Mr Ki Shui Louie CHOW, director of the Company; • Mr Wen Sheng CAI, director of the Company.
The maximum number of securities to be issued:	<p>The equity security (on approval of the Conversion Mechanism) is the convertible Loan itself. Consequently, this is no maximum number of equity securities being issued.</p>

	<p>Upon the approval of the Conversion Mechanism for the Loans, the Loans are convertible into ordinary shares of the Company (Conversion Shares) at a conversion price of A\$0.25 per ordinary share.</p> <p>The Conversion Price is to be calculated at the exchange rate of AUD/RMB by the Reserve Bank of Australia (RBA) calculated on the business day prior to the date of conversion.</p> <p>On the basis of an exchange rate of RMB to A\$ of 0.19646 on 5 August 2016, this is equal to a total of:</p> <table border="1"> <thead> <tr> <th>Lender</th><th>Conversion Shares</th></tr> </thead> <tbody> <tr> <td>Mr Qiang XIONG</td><td>1,571,680 Conversion Shares</td></tr> <tr> <td>Mr Ki Shui Louie CHOW</td><td>1,571,680 Conversion Shares</td></tr> <tr> <td>Mr Wen Sheng CAI</td><td>1,571,680 Conversion Shares</td></tr> <tr> <td>TOTAL</td><td>4,715,040 Conversion Shares</td></tr> </tbody> </table>	Lender	Conversion Shares	Mr Qiang XIONG	1,571,680 Conversion Shares	Mr Ki Shui Louie CHOW	1,571,680 Conversion Shares	Mr Wen Sheng CAI	1,571,680 Conversion Shares	TOTAL	4,715,040 Conversion Shares
Lender	Conversion Shares										
Mr Qiang XIONG	1,571,680 Conversion Shares										
Mr Ki Shui Louie CHOW	1,571,680 Conversion Shares										
Mr Wen Sheng CAI	1,571,680 Conversion Shares										
TOTAL	4,715,040 Conversion Shares										
The date by which the securities will be issued:	The equity security in the form of the <u>convertible</u> Loans will be issued immediately upon Shareholder and CDI Holder approval of the Conversion Mechanism in the Convertible Bond Agreements.										
The issue price:	<p>The Loans are for RMB 2 million each (approximately A\$392,920.00 each). This equals RMB6 million (approximately A\$1.18 million) in aggregate.</p> <p>Based on an exchange rate of RMB to A\$ of 0.19646, upon the approval of the Conversion Mechanism, the Loans become convertible loans and may be converted into a maximum of 4,715,040 Conversion Shares at an issue price of A\$0.25 per Conversion Share.</p>										
Terms of the equity securities:	The terms of the Convertible Bond Agreements for the convertible Loans along with the Conversion Mechanism are contained on pages 7 and 8 above.										
The intended use of funds raised:	The Company intends to use the proceeds of the Loans for working capital purposes.										
Voting exclusion statement:	A voting exclusion statement is contained in Resolutions 6, 7 and 8.										

Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on whether or not to vote in favour of Resolutions 6, 7 and 8 (being information that is known to the Directors which has not previously been disclosed to Shareholders or CDI Holders) other than as set out in this Notice.

Directors recommendations

The Directors other than Mr Qiang XIONG, Mr Ki Shui Louie CHOW and Mr Wen Sheng CAI recommend that Shareholders or CDI Holders vote in favour of Resolutions 6, 7 and 8.

Voting requirements

Resolutions 6, 7 and 8 are ordinary resolutions and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after Resolutions 6, 7 and 8. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statements will be disregarded.

ITEM 9: General Mandate to Issue and Allot New Shares

Overview

This Resolution allows the Company to issue securities, including convertible securities, in future which may be similar in nature to that as currently contemplated under the Convertible Bond Agreements.

Resolution

This Resolution is required under Hong Kong law.

Under this Resolution, the Board seeks CDI Holder and Shareholder approval for a general mandate to issue and allot shares in the Company, which would replace the general mandate granted at the 2015 annual general meeting of the Company. The current general mandate will give the Company broader rights to issue securities during the Relevant Period (as defined in the resolution), including convertible securities such as convertible notes.

The law

According to sections 140 and 141 of the Hong Kong Companies Ordinance, the directors of a Hong Kong company may, with certain exceptions, exercise the power to allot shares in a company, or to grant rights to subscribe for, or to convert any security into, shares in a company, only if the company gives approval in advance by resolution of the company. This approval may be general or specific, and conditional or unconditional.

This Resolution is, however, subject to the ASX Listing Rules and, in particular to:

- ASX Listing Rule 7.1 which restricts the Company from issuing new securities in the Company which would dilute the interests of existing Shareholders or CDI holders, to a maximum of 15% of the issued capital of the Company in any 12 month period without shareholder approval;
- 10.11 which restricts the Company from issuing new securities in the Company to a related party without shareholder approval; and
- 10.14 which restricts the Company from issuing new securities in the Company under an employee share plan to a director or an associate of a director without shareholder approval.

Directors recommendations

The Directors recommend that Shareholders or CDI Holders vote in favour of Resolution 9.

Voting requirements

Resolution 9 is an ordinary resolutions and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

Item 10: Approval of 10% placement facility

Purpose of resolution

The purpose of Resolution 10 is to allow the Company to issue Equity Securities (as defined in the ASX Listing Rules) in any existing quoted class, under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1. As at the date of the Notice, the Company has one quoted class of equity securities on issue, being CDIs.

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

General

ASX Listing Rule 7.1A enables "eligible entities" to issue Equity Securities up to 10% of its issued capital, through placements over a 12 month period, after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.1A, an "eligible entity" is an entity that:

- is not included in the S&P/ASX 300 Index; and
- has a market capitalisation of \$300 million or less.

The Company is an eligible entity.

The Company is seeking to obtain shareholder approval by way of a special resolution, to enable the Company to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and set out in detail in paragraph (c), below.

Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of the Notice, the Company has one quoted class of Equity Securities on issue, being CHESS Depository Interests (**CDIs**).

(c) Formula for calculating the 10% Placement

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, the number of Equity Securities calculated in accordance with the following formula:

(A X D) – E

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement to issue:

- *plus* the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- *plus* the number of partly paid ordinary shares that became fully paid in the 12 months;
- *plus* the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary Shares under ASX Listing Rules 7.1 or 7.4; and
- *less* the number of fully paid ordinary Shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary Shares under ASX Listing Rules 7.1 or 7.4.

(d) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 ASX trading days immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or

- if the Equity Securities are not issued within 5 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

(e) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by the ASX (**10% Placement Period**).

(f) *Number of Equity Securities under ASX Listing Rules 7.1 and 7.1A*

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice of Annual General Meeting, the Company has on issue 637,747,400 Shares and therefore has a capacity to issue:

- 67,734,636 Equity Securities under Listing Rule 7.1; and
- subject to Shareholder approval being sought under Resolution 10, 63,774,740 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated on the date of issue of Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see paragraph (c) above).

Specific Information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement under ASX Listing Rule 7.1A:

(a) **ASX Listing Rule 7.3A.1:** *Minimum price at which the Equity Securities may be issued*

The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities over the 15 trading days immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) **ASX Listing Rule 7.3A.2:** *Statement of the risk of economic and voting dilution of existing ordinary security holders*

If Resolution 10 is approved by shareholders and the Company issues Equity Securities under the 10% Placement, the existing shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the annual general meeting; and

- the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities

The table below sets out the potential dilution of existing shareholders on the basis of the current market price of shares and the current number of shares on issue, being variable "A" in the table, which is calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- in addition to the current variable "A", two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at future shareholders' meetings; and
- two examples, one where the issue price of ordinary securities has decreased by 50% and the other where the issue price of ordinary securities has increased by 100%, as against the current market price.

		Dilution		
Variable "A" in ASX Listing Rule 7.1A.2 (subject to the assumptions below)		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
		\$0.045	\$0.09	\$0.18
Current Variable A 637,747,400 CDIs	10% voting dilution	63,774,740 CDIs	63,774,740 CDIs	63,774,740 CDIs
	Funds raised	\$2,869,863	\$5,739,727	\$11,479,453
50% increase in current Variable A 956,621,100 CDIs	10% voting dilution	95,662,110 CDIs	95,662,110 CDIs	95,662,110 CDIs
	Funds raised	\$4,304,795	\$8,609,590	\$17,219,180
100% increase in current Variable A 1,275,494,800 CDIs	10% voting dilution	127,549,480 CDIs	127,549,480 CDIs	127,549,480 CDIs
	Funds raised	\$5,739,727	\$11,479,453	\$22,958,906

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No options are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement, based on that shareholder's holding at the date of the annual general meeting.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.

- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- The assumed issue price is \$0.09, being the closing price of Shares on ASX on 3 August 2016.

(c) **ASX Listing Rule 7.3A.3: Date by which securities may be issued**

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 10 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).

(d) **ASX Listing Rule 7.3A.4: Purposes of the issue**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:

- non-cash consideration for the acquisition of services, assets, businesses or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3. The Company must also provide the valuation of the non-cash consideration for release to the market as required by Listing Rule 7.1A.3; or; or
- cash consideration. In such circumstances, the Company intends to use the funds raised towards the acquisition of services, assets, businesses or investments (including expenses associated with such acquisition), debt repayment and general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon the issue of any Equity Securities.

In the event Resolution 10 is approved, when the Company issues Equity Securities pursuant to the 10% Placement Facility, it will give to the ASX:

- a list of allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market

(e) **ASX Listing Rule 7.3A.5: Details of the allocation policy for issues under the approval**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, a share placement, rights issue or other issue in which an existing shareholder(s) can subscribe for shares;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

If the Company is successful in acquiring new assets or investments, it may be that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

(f) **ASX Listing Rule 7.3A.6: Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at the last Annual General Meeting on 18 September 2015.

In the 12 months preceding the date Meeting the subject of this Notice. The Company has issued the following Equity Securities:

Overview	Detail
The total number of Equity Securities issued in the 12 months preceding the date of the Annual General Meeting:	19,347,474 unlisted Options over CHESS depositary interests (CDIs) (Unlisted Options) . A RMB6 million convertible loan convertible into approximately 6,150,000 CDIs. A RMB2.8 million convertible loan convertible into approximately 2,430,000 CDIs.
The percentage the total number of Equity Securities detailed above represent of the total number of Equity Securities on issue in the 12 months preceding the date of the Meeting:	On a fully diluted basis the Unlisted Options and convertible loans represents 4.38% of the total Equity Securities on issue at the commencement of that 12 month period.

Unlisted Options

Detail of the Unlisted Options issued by the Company during the 12 months preceding the date of this Meeting is provided below:

Names of the Investors	Date of issue	Class of Equity Security issued	Number of Equity Securities issued	Price paid per Equity Security issued & exercise price
ZhuJianjun Investment Limited	12 August 2015	Unlisted A Options	340,000	HKD1.00 per total options issued Exercise Price of A\$0.80
CNING Investment Limited	12 August 2015	Unlisted A Options	750,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Shine Glory Asset management limited	12 August 2015	Unlisted A Options	610,000	HKD1.00 per total options issued Exercise Price of A\$0.80
XINYAN Capital Limited.	12 August 2015	Unlisted A Options	660,000	HKD1.00 per total options issued Exercise Price of A\$0.80
AOBEI LIMITED	12 August 2015	Unlisted A Options	400,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Bonroy Technology Co., Limited	12 August 2015	Unlisted A Options	650,000	HKD1.00 per total options issued Exercise Price of A\$0.80



LINGSONG Investment Limited	12 August 2015	Unlisted A Options	500,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Bigbing Investment Limited	12 August 2015	Unlisted A Options	1,020,000	HKD1.00 per total options issued Exercise Price of A\$0.80
De Rui Investment Management Co., Ltd	12 August 2015	Unlisted A Options	200,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Chak vantage capitals limited	12 August 2015	Unlisted A Options	230,000	HKD1.00 per total options issued Exercise Price of A\$0.80
QIYU Capital Limited	12 August 2015	Unlisted A Options	1,100,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Mancang Investment Management Co., Ltd	12 August 2015	Unlisted A Options	200,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Xunda Hong Kong Investment Co., Limited	12 August 2015	Unlisted A Options	600,000	HKD1.00 per total options issued Exercise Price of A\$0.80
YUMENG Capital Limited	12 August 2015	Unlisted A Options	210,000	HKD1.00 per total options issued Exercise Price of A\$0.80
SunDoo Limited	12 August 2015	Unlisted A Options	100,000	HKD1.00 per total options issued Exercise Price of A\$0.80
Investorlink Capital Limited	12 August 2015	Unlisted A Options	2,200,000	HKD1.00 per total options issued Exercise Price of A\$0.80
UUC2P Limited	12 August 2015	Unlisted B Options	360,000	HKD1.00 per total options issued Exercise Price of A\$1.00
One Gem Limited	12 August 2015	Unlisted B Options	640,000	HKD1.00 per total options issued Exercise Price of A\$1.00

YDD Company Limited	12 August 2015	Unlisted B Options	1,000,000	HKD1.00 per total options issued Exercise Price of A\$1.00
Gary Kwok	23 September 2015	Unlisted A Options	6,377,474	HKD1.00 per total options issued Exercise Price of A\$0.80
CJ+SC Ryan atf Ryan Retirement Fund	23 September 2015	Unlisted A Options	1,200,000	HKD1.00 per total options issued Exercise Price of A\$0.80
TOTAL			19,347,474	

The Unlisted A Options and Unlisted B Options were issued on the following terms:

		Unlisted A Options		Unlisted B Options	
Exercise Price		A\$0.80		A\$1.00	
Expiry Date		30 June 2022		30 June 2022	
Exercise provisions					
	Exercise commencement date	% that may be exercised after the relevant 'exercise commencement date'	Exercise commencement date	% that may be exercised after the relevant 'exercise commencement date'	
Tranche 1	30 June 2017	10%	30 June 2017	10%	
Tranche 2	30 June 2018	10%	30 June 2018	10%	
Tranche 3	30 June 2019	20%	30 June 2019	20%	
Tranche 4	30 June 2020	20%	30 June 2020	20%	
Tranche 5	30 June 2021	40%	30 June 2021	40%	

Convertible loans

Detail of the Convertible loans entered into by the Company during the 12 months preceding the date of this Meeting is provided below:

Names of the Investors	Date of issue	Class of Equity Security issued	Amount loaned to the Company	Conversion price	Number of Equity Securities that may be issued on conversion	Discount to the 5 day VWAP on date of issue
LAO Min	8 March 2016	Convertible Loan	RMB3 million (approximately A\$615,000)	A\$0.20	approximately 3,075,000	Nil discount - Premium of 64.35%
ZHANG Li	8 March 2016	Convertible Loan	RMB3 million (approximately A\$615,000)	A\$0.20	approximately 3,075,000	Nil discount - Premium of 64.35%

CHUA Beng Huat	24 June 2016	Convertible Loan	HKD1.8 million (approximately A\$312,400)	A\$0.20	approximately 1,562,000	Nil discount - Premium of 101.61%
CHAN Ming Fai	24 June 2016	Convertible Loan	HKD1 million (approximately A\$173,600)	A\$0.20	approximately 868,000	Nil discount - Premium of 101.61%

(g) **ASX Listing Rule 7.3A.7: A voting exclusion statement**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Directors' Recommendation

The directors recommend that shareholders vote in favour of Resolution 10.

The directors consider that the approval of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months, without further shareholder approval.

