

# HJB Corporation Limited

ACN 091 302 975

Level 5, 137-139 Bathurst Street, Sydney NSW 2000

13 August 2014

Attention: Company Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## By E-Lodgement

Dear Sirs

### **ASX waiver – ASX Listing Rule 14.7**

The Board of HJB Corporation Limited (**Company**) wishes to advise that the ASX has agreed to grant the Company a waiver from ASX Listing Rule 14.7 to the extent necessary to enable the Company to issue securities to related parties more than 1 month after Shareholders approved the issue of securities at the Extraordinary General Meeting held on 23 June 2014.

The terms of the waiver are as follows:

#### ***“DECISION***

1. *Subject to resolution 2, and based solely on the information provided, ASX Limited (“ASX”) grants HJB Corporation Limited (the “Company”) a waiver from listing rule 14.7 to the extent necessary to permit the Company to issue the following securities to related parties of the Company (the “Securities”), as approved by shareholders at the general meeting held on 23 June 2014, later than one month after the date of the shareholders’ meeting:*
  - 1.1 *Up to 63,600,000 fully paid ordinary shares with an issue price of \$0.0025 per share.*
  - 1.2 *Up to 43,000,000 options to acquire fully paid ordinary shares with an issue price of \$0.000025 per option, with each exercisable at \$0.01 on or before 30 June 2017.*
  - 1.3 *Up to 19,000,000 fully paid ordinary shares with an issue price of \$0.01 per share.*
  - 1.4 *Up to 20,250,000 options to acquire fully paid ordinary shares with an issue price of nil consideration, exercisable at \$0.01 on or before the date which is 3 years after the options are issued to their recipients (in accordance with their terms as outlined in the Company notice of general meeting dated 23 May 2014).*
  - 1.5 *Up to 20,250,000 options to acquire fully paid ordinary shares with an issue price of nil consideration, exercisable at \$0.01 on or before the date which is 5 years after the options are issued to their recipients (in accordance with their terms as outlined in the Company notice of general meeting dated 23 May 2014).*

2. Resolution 1 is subject to the following conditions.
  - 2.1 The Securities are issued no later than 23 September 2014.
  - 2.2 The Company releases the terms of the waiver to the market immediately.
3. ASX has considered listing rule 14.7 only and makes no statement as to the Company's compliance with other listing rules.

## **BASIS FOR DECISION**

### **Listing rule 14.7**

#### **Underlying Policy**

1. *If a notice of meeting states that an entity will do something that the listing rules require it to do, the entity must do that thing. This supports the integrity of listing rule requirements that forbid a listed entity from taking a particular action unless it has obtained the prior approval of ordinary security holders, and require the giving to security holders of specific information about the proposed action in order for such approval to be validly obtained.*
2. *The issue of equity securities to related parties requires prior security holder approval, unless an exception in listing rule 10.12 is applicable. A notice of meeting containing a resolution for the approval of an issue of securities to related parties under listing rule 10.11 must include a statement that the securities will be issued within one month of the date of the security holders' meeting. The securities must be issued within a short period of time after the meeting so that the related party allottees do not have an extended period during which they have the option to decide whether or not to take up the issue of equity securities that has been approved. Imposing a short period of time during which to complete the issue also reduces the possibility of there being a material change in the entity's circumstances when the issue takes place from the circumstances obtaining at the time the resolution was approved. This helps to provide a greater degree of certainty to security holders about the likely value of the equity securities when they are issued.*

#### **Facts and Reasons for Granting Waiver**

3. *The Company's shares are suspended pending completion of a recapitalisation proposal. Due to delays in finalising the outstanding accounts of the Company and therefore finalising a prospectus under which the Securities are intended to be issued, the recapitalisation proposal is taking longer than originally envisaged. It is now expected that the securities will be issued by 23 September 2014. The Company's notice of meeting stated that the Securities would be issued to related parties within 1 month from the date of the meeting (as required by listing rule 10.13.3). The proposed issue of Securities to related parties has been approved by shareholders and the number of securities is fixed. As the circumstances of the Company have not changed materially since shareholders approved the issue of the Securities, and the Company's shares remain suspended from quotation until completion of the recapitalisation of the Company, a waiver is appropriate as there is no undue benefit to the related parties arising from the delay in issuing the Securities."*

If you have any queries, please contact the undersigned on (02) 8072 1400.

Yours faithfully



**Andrew Whitten**  
Company Secretary