

Voltage IP Ltd

ACN 057 884 876

Notice of Meeting and Explanatory Statement

For the meeting of the Cancellation Shareholder to be held simultaneously at the offices of Sanston Securities at Level 7, 564 St Kilda Road, Melbourne, Victoria and at the Holiday Inn Shifu Hotel, 188 Di Shi Fu Road, 510140, Guangzhou, China at 3:50 pm (AEDST) / 12:50 pm (Guangzhou time) on Friday, 18 December 2015

This is an important document. Please read it carefully.

The Cancellation Shareholder should consult their stockbroker, solicitor, accountant or other independent professional adviser before deciding on how to vote on the Resolution.

Voltage IP Limited

ACN 057 884 876

Notice of Meeting

Notice is given that a meeting of the Cancellation Shareholder will be held at:

Location	Sanston Securities, Level 7, 564 St Kilda Road, Melbourne, Victoria, Australia and simultaneously at the Holiday Inn Shifu Hotel, 188 Di Shi Fu Road, 510140, Guangzhou, China In accordance with section 5.1(d) of the Company's constitution, the Meeting will be held at these 2 locations using technology that gives the Cancellation Shareholder a reasonable opportunity to participate.
Date	18 December 2015
Time	3:50 pm (AEDST) / 12:50 pm (Guangzhou time)

The Notice and Explanatory Statement should be read in their entirety. If the Cancellation Shareholder is in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Voting eligibility

The persons eligible to vote at the Meeting (or any adjournment of the Meeting) are those that were registered as holders of the Cancellation Shares as at 3:50 pm (AEDST) on 16 December 2015. As at the date of this Notice, all of the Cancellation Shares were held by Pok Seng Kong. Pok Seng Kong has undertaken not to transfer any of the Cancellation Shares at any time before the cancellation of the Cancellation Shares has been finalised.

Voting in person

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

Voting by proxy

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

In accordance with section 249L of the Corporations Act, the Cancellation Shareholder is advised that:

- the Cancellation Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- if the Cancellation Shareholder is entitled to cast 2 or more votes they may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

The Cancellation Shareholder is advised that under sections 250BB and 250BC of the Corporations Act:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these sections are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the Chair of the Meeting, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair of the Meeting, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-Chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at the Meeting;
- the appointed proxy is not the Chair of the Meeting;
- at the Meeting, a poll is duly demanded on that resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the Meeting; or
 - the proxy does not vote on the resolution,

then the Chair is taken, before voting on that resolution closes, to have been appointed as the proxy for the purposes of voting on that resolution at the Meeting.

Business of the Meeting

Resolution – Cancellation of Cancellation Shares

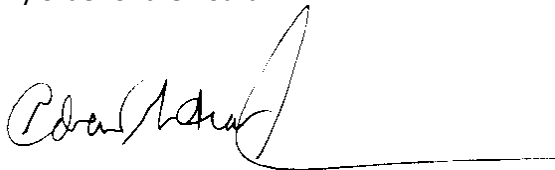
To consider, and if in favour, to pass the following Resolution as a **special resolution** under the Corporations Act:

That, for the purpose of section 256C of the Corporations Act and for all other purposes, approval is given for the Company to make a selective reduction of its share capital and cancel (for no consideration) a total of 57,277,536 Shares (being 2,291,101 Shares following the Share Consolidation) held by the Cancellation Shareholder, with that cancellation taking effect 14 days after a copy of this Resolution is lodged with ASIC following the passing of this Resolution (as described in the Explanatory Statement).

Proxy Form

Attached is a Proxy Form relating to the Meeting. If the Cancellation Shareholder wants to appoint a proxy, they are requested to complete and return the form to the Company in accordance with the instructions set out in the Proxy Form.

By order of the Board:

A handwritten signature in black ink, appearing to read 'Andrew Metcalfe', followed by a long horizontal line extending to the right.

Andrew Metcalfe
Company Secretary

16 November 2015

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to the Cancellation Shareholder in deciding whether or not to pass the Resolution which is the subject of the business of the Meeting.

The Directors (other than Pok Seng Kong) recommend that the Cancellation Shareholder reads this Explanatory Statement and Notice of Meeting in full before making any decision in relation to the Resolution.

Terms used in this Explanatory Statement are defined in the Glossary at the back of this document.

1. Background

The Company has historically operated as an investment company, with a particular focus on investments in the technology sector. The Company has not held any investments in active businesses since 2009 (and has been effectively dormant since then). The Company's Shares have been suspended from trading on the ASX since 2007.

On 26 June 2015, the Company announced to the ASX that it had entered into a term sheet with the shareholders of KLE to acquire all of the issued share capital in KLE. On 3 September 2015, the Company entered into the Share Sale Agreement (which replaced the term sheet).

In conjunction with the Acquisition, the Company is proposing to conduct a capital raising for a minimum amount of \$3 million (up to a maximum of \$5 million) via a prospectus involving the issue of Shares at a price of \$0.05 per Share (**Capital Raising**). The Company is also proposing to conduct the Share Consolidation and various debt to equity conversions where certain debts owed by the Company will be converted into Shares at a rate of \$0.03 per Share (on a post consolidation basis) (**Debt-to-Equity Conversions**).

In September and November 2015, the Company entered into three separate loan and convertible note agreements under which a total amount of \$450,000 was loaned to the Company (**Loan and Convertible Note Arrangements**). The Transaction Notice of Meeting sets out various resolutions and information relating to the Acquisition, the Share Consolidation, the Capital Raising, the Debt-to-Equity Conversions, the Loan and Convertible Note Arrangements and related transactions (which in this Notice are collectively referred to as the **Transaction**).

The Share Cancellation is required in order for the Transaction to proceed.

2. Reasons for the Share Cancellation

The Cancellation Shareholder is currently the holder of 57,277,536 Shares. The allotment of these Shares was approved by Shareholders at the general meeting held on 14 October 2009 (**2009 EGM**).

The Cancellation Shareholder was (and still is) an adviser to a number of Malaysian based investors and businesses. At the time of the 2009 EGM, a number of his clients were interested in acquiring a controlling interest in publicly listed shell companies so that they could use those shells for future ASX backdoor listings. In the days following the 2009 EGM, the Cancellation Shareholder entered into an informal arrangement to transfer his Shares in the Company to Inner Ivory Investments, Inc (**Inner Ivory**) (being a company incorporated in the British Virgin Islands and controlled by one of the Cancellation Shareholder's clients, Han Bee Tung). The Cancellation Shareholder's Shares were sold to Inner Ivory for approximately \$150,000. These Shares were subsequently transferred by Inner Ivory to Hock Guan Ng.

It appears that, because of a misunderstanding of the requirements of Part 6.1 of the Corporations Act, administrative shortcuts were taken and the 57,277,536 Shares were issued directly to Inner

Ivory (rather than being issued to the Cancellation Shareholder). In addition, no approval from Shareholders was obtained before Inner Ivory transferred the 57,277,536 Shares to Hock Guan Ng. Consequentially, contraventions of the Corporations Act takeover provisions may have occurred both in relation to the initial allotment and subsequent transfers of those Shares.

After becoming aware of this issue, arrangements were made for Hock Guan Ng to transfer the 57,277,536 Shares back to the Cancellation Shareholder. The practical effect of (and intention behind) this transfer was to effectively rescind the past Share allotment and transfers, so that 57,277,536 Shares would be registered to the Cancellation Shareholder (being the party originally approved by Shareholders to hold this controlling stake in the Company).

However, following recent discussions between ASIC and the Company relating to these past possible contraventions, the Company proposes to address these concerns through the cancellation of the Shares held by the Cancellation Shareholder for no consideration. The Cancellation Shareholder has also indicated that he intends to resign as a Director before the Meeting.

3. Corporations Act requirements

The cancellation of Shares held by the Cancellation Shareholder is to occur by way of a selective capital reduction for no consideration. Section 256C(2) of the Corporations Act requires this Resolution to be passed as a special resolution of the Shareholders. A special resolution is a resolution that is passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution, either in person or by proxy.

The cancellation of the Shares must also be approved by a special resolution passed at a separate meeting of the Shareholder whose Shares are to be cancelled. This Notice relates to that separate meeting, to be held immediately before the meeting contemplated by the Transaction Notice of Meeting.

Section 256B of the Corporations Act provides that the Company may reduce its share capital by cancelling Shares for no consideration if the reduction:

- (a) is fair and reasonable to the Company's Shareholders as a whole; and
- (b) is approved under section 256C of the Corporations Act.

The Directors consider that the proposed capital reduction is fair and reasonable to the Shareholders as a whole because the Cancellation Shares may have been issued in contravention of the takeover provisions of the Corporations Act.

It is intended that the Share Cancellation will occur after the Share Consolidation. Accordingly, after the Share Consolidation, the number of Shares to be cancelled will reduce to 2,291,101 Shares. Under the Corporations Act, the Company may cancel the Shares 14 days after a copy of this Resolution (together with the resolution to approve the Share Cancellation under the Transaction Notice of Meeting) is lodged with ASIC following the passing of this resolutions.

Even if the Share Cancellation is approved, ASIC may still decide to take further action against the Company, the Cancellation Shareholder and others that have been involved in these possible contraventions of the Corporations Act.

There is no information known to the Company that is material to the decision on how to vote on this Resolution (other than has been disclosed in this Notice).

4. Directors' recommendation

The Directors (other than Pok Seng Kong) unanimously recommend that the Cancellation Shareholder votes in favour of this Resolution as the Share Cancellation is considered to be appropriate in the circumstances and is necessary in order for the Transaction to proceed.

Glossary

Term	Meaning
Acquisition	The acquisition by the Company from the shareholders of KLE of all of the issued shares in KLE.
AEDST	Australian Eastern Daylight Saving Time.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market for trading in Securities operated in Australia by that company (as the context requires).
Board	The board of directors of the Company from time to time.
Cancellation Shareholder	The holder of the Cancellation Shares (being Pok Seng Kong).
Cancellation Shares	57,277,536 Shares (being 2,291,101 Shares following the Share Consolidation) held by Pok Seng Kong as at the date of this Notice.
Chair	The chairperson of the Meeting.
Company	Voltage IP Limited ACN 057 884 876.
Corporations Act	Corporations Act 2001 (Cth).
Directors	Each of the directors of the Company from time to time.
Explanatory Statement	The explanatory statement accompanying this Notice.
KLE	KLE Products Sdn Bhd (company number 568510-M).
Meeting	The meeting convened by this Notice.
Notice	This notice of meeting including the Explanatory Statement and the Proxy Form.
Proxy Form	The proxy form attached to this Notice.

Term	Meaning
Resolution	The resolution set out in this Notice.
Securities	Has the same meaning in section 92 of the Corporations Act.
Share	A fully paid ordinary share in the capital of the Company.
Share Cancellation	The selective capital reduction for no consideration contemplated by this Notice.
Share Consolidation	The proposed share consolidation under section 254H of the Corporations Act so that every 25 Shares is consolidated into 1 Share (to be considered as part of resolution 2 of the Transaction Notice of Meeting).
Share Sale Agreement	The share sale agreement dated 3 September 2015 between the Company, the shareholders of KLE and KLE for the acquisition by the Company of all of the issued share capital of KLE.
Shareholder	A holder of Shares.
Transaction	Has the meaning set out on in section 1 of the Explanatory Statement.
Transaction Notice of Meeting	The notice of general meeting dated on or around the date of this Notice issued by the Company and seeking various approvals in connection with the Transaction.

PROXY FORM

APPOINTMENT OF PROXY

VOLTAGE IP LIMITED ACN 057 884 876

MEETING OF THE CANCELLATION SHAREHOLDER

I/We

of

being a Shareholder of Voltage IP Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given and subject to relevant laws, as the proxy sees fit, at the Meeting to be held at Sanston Securities, Level 7, 564 St Kilda Road, Melbourne, Victoria, Australia and simultaneously at the Holiday Inn Shifu Hotel, 188 Di Shi Fu Road, 510140, Guangzhou, China on 18 December 2015 at 3:50pm (AEDST) and 12:50pm (Guangzhou time) and at any adjournment of the Meeting.

If no directions are given, the Chair will vote in favour of the Resolution in which the Chair is entitled to vote undirected proxies.

Voting on Business of the Meeting

FOR AGAINST ABSTAIN

Resolution – Cancellation of Cancellation Shares

☐☐☐

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your vote will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder(s)

Date: _____

Individual or Signatory 1

Sole Director/Company Secretary

Signatory 2

Director

Signatory 3

Director/Company Secretary

Contact Name: _____ Contact Phone (daytime): _____

Instructions for completing 'Appointment of Proxy' form

1. **(Appointing a Proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder of the Company.
2. **(Direction to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite to each item of business in the Proxy Form. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the joint Shareholders should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney to the Company Secretary, please attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
 - **(Companies):** Where the Shareholder is a company and has a sole director who is also the sole company secretary, that person must sign and note that they are the sole director and sole company secretary next to their signature. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - fax to +61 3 9867 8587
 - post to Level 2, 470 Collins Street, Melbourne VIC 3000; or
 - email to the Company at andrew@accosec.com,

so that it is received not less than 48 hours prior to commencement of the Meeting. Proxy Forms received later than this time will be invalid.