



**ASF Group Limited  
ACN 008 924 570**

**Notice of 2020 Annual General Meeting  
and Explanatory Memorandum**

**Date of meeting: 30 November 2020**

**Time of meeting: 4:30 pm (AEDT)**

**Place of meeting: Suite 2, 3B Macquarie Street, Sydney NSW 2000**

***This is an important document.  
If you are in any doubt as to how to act, you should consult your financial, legal or other  
professional adviser.***

**ASF GROUP LIMITED  
ACN 008 924 570**

# Important Notices

## General

This Notice of Meeting is dated 29 October 2020.

This document is important. The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. You should read it in its entirety before making a decision on how to vote on the Resolutions to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

## Defined terms

Capitalised terms in the Notice of Meeting are defined either in the Glossary section or where the relevant term is first used.

## ASX

A final copy of this Notice of Meeting has been lodged the ASX. Neither the ASX nor any of their respective officers takes any responsibility for the contents of this document.

## Forward looking statements

Some of the statements appearing in this document may be in the nature of forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of and guidance on, future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company such as (without limitation) the impact of inflation on operating, exploration and development costs, fluctuations in exchange rates, operational risks, risks associated with the exploration or developmental stage of projects, risks associated with the exploitation stage of projects, the imprecise nature of resource and reserve statements, access to and costs of infrastructure and transport, taxation and regulatory issues, changes in law and accounting policies, the fluctuating industry and commodity cycles, any reliance on third parties, any imposition of significant obligations under environmental regulations, the impact on competitiveness of the business resulting from carbon trading and carbon tax imposed by governments, any climate change impact (including regarding water allocation), any increased competition, any loss of key long term contracts, the adverse impact of wars, terrorism, political, economic or natural disasters, any inability to enforce legal rights, any native title claims, the ability to service or obtain funding, further exploration or new projects, loss of key personnel and delays in obtaining or inability to obtain any necessary government approvals, third party consents or exploration licences, impact of changes to interest rates, effect of new technologies, changes to government fiscal, monetary and regulatory policies.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of the Company nor any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward looking statements in this document reflect views held only as at the date of this document.

### **No financial product advice**

This document does not constitute financial product or investment advice nor a recommendation in respect of the Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. The Company is not licensed to provide financial product advice.

Before deciding how to vote or act, Shareholders and others should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

### **No internet site is part of this document**

No internet site is part of this Notice of Meeting. The Company maintains an internet site (<http://www.asfgroupltd.com>). Any references in this document to this internet site is a textual reference only and does not form part of this document.

# Notice of Annual General Meeting

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Notice is hereby given that the annual general meeting of the shareholders of the Company will be held at Suite 2, 3B Macquarie Street, Sydney NSW 2000 on 30 November 2020 commencing at 4:30 pm (AEDT).

Capitalised terms in the Notice of Meeting are defined either in the Glossary section or where the relevant term is first used.

## Agenda

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### Financial statements and reports

To table the following statements and reports and provide Shareholders with the opportunity to raise any issues or ask questions generally of the Directors concerning those financial statements or the business operations of the Company:

- (a) the financial report of the Company and of the consolidated entities for the year ended 30 June 2020;
- (b) the Directors' Report for the year ended 30 June 2020; and
- (c) the independent auditor's report thereon.

<b>Note:</b> There is no requirement for Shareholders to approve these reports.
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### Resolution 1: Adoption of the Remuneration Report

To consider the Remuneration Report as it appears in the Directors' Report which is contained in the Annual Report of the Company for the financial year ended 30 June 2020 and, if thought fit, pass the following Resolution as an **ordinary resolution** in accordance with section 250R(2) of the Corporations Act:

*'That the Remuneration Report for the year ended 30 June 2020, submitted as part of the Directors' Report for the year ended 30 June 2020, be adopted pursuant to sections 250R(2) and 250R(3) of the Corporations Act 2001 (Cth).'*

<b>Note:</b> The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.
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#### **Voting Exclusion Statement**

*According to s 250R(4) of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either a member of the key management personnel (KMP) details of whose remuneration are included in the remuneration report or a closely related party of such KMP.*

*However, pursuant to s 250R(5) of the Corporations Act, a KMP or its closely related party may cast a vote on this Resolution if:*

- *the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and*
- *the vote is not cast on behalf of a KMP or its closely related party.*

## **Resolution 2: Re-election of a Director, Mr Geoff Baker**

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

*'That Mr Geoff Baker, a Director retiring by rotation in accordance with article 79.2 of the Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director.'*

## **Resolution 3: Re-election of a Director, Mr Nga Fong (Alex) Lao**

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

*'That Mr Nga Fong (Alex) Lao, a Director retiring by rotation in accordance with article 79.2 of the Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director.'*

## **Resolution 4: Appointment of Auditor**

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

*'That, subject to Australian Securities and Investments Commission (ASIC) providing its consent for the current auditor to resign as auditor of the Company or such later date ASIC provides its consent, Nexia Sydney Audit Pty Ltd, having been nominated by a shareholder in accordance with Section 328B(1) of the Corporations Act 2001 and having consented to act as auditor of the Company, be appointed as auditor of the Company to hold office from the conclusion of this Annual General Meeting.'*

## **Resolution 5: Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, for the purpose of ASX Listing Rule 7.1A and all other purposes, approval be given for the allotment and issue of securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula set out in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

# PROXY AND VOTING INSTRUCTIONS

## 1.1 Voting in person

- (1) A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the enclosed Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.
- (2) A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with the requirements of section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission, together with any authority under which it is signed. A form of the certificate may be obtained from the Company's Share Registry or at [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).
- (3) **Due to the uncertainty and potential health risks created by the COVID-19 pandemic, the Company encourages its Shareholders to consider lodging a directed proxy in advance of the Meeting, rather than attending the Meeting in person.**

## 1.2 Voting by proxy

- (1) A Shareholder who is entitled to vote at the Meeting may appoint one proxy if the Shareholder is only entitled to one vote and one or two proxies if the Shareholder is entitled to more than one vote. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded. A proxy need not be a Shareholder of the Company and a Shareholder may appoint an individual or a body corporate to act as its proxy.
- (2) In order for an appointment of proxy to be effective, the Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed or a certified copy the power of attorney or other authority) must be lodged at the Company's Share Registry: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia or by facsimile +612 9290 9655 no later than 48 hours before the time for holding the meeting.
- (3) The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.
- (4) A Proxy Form accompanies this Notice of Meeting.

## 1.3 Voting Intentions

- (1) If you wish to direct your proxy how to vote on any or all of the Resolutions, place a mark "X" in the "For", "Against" or "Abstain" box. If you do not direct your proxy how to vote, your proxy may vote as he, she or it sees fit. If you mark the abstain box, you are directing your proxy not to vote on your behalf in respect of that Resolution and your votes will not be included on a show of hands or on a poll.
- (2) Please refer to the Proxy Form that accompanies this Notice of Meeting for instructions on its completion and lodgement.

- (3) The Chairperson of the Company intends to vote proxies in favour of all the Resolutions contained in the Notice of Annual General Meeting unless directed otherwise (subject to any relevant voting exclusions and the Chairperson's directions below).

#### 1.4 Directions to Chairperson of Meeting

- (1) If the Chairperson of the Meeting is appointed, or is taken to be appointed, as a proxy, the shareholder can direct the Chairperson to vote "For", "Against" or "Abstain" from voting on the Resolutions by marking the appropriate box on the Proxy Form.
- (2) However, if the Chairperson of the meeting is a proxy and the relevant Shareholder does not provide a voting direction in respect of the Resolutions on the Proxy Form, the relevant Shareholder's proxy will be taken as a direction to the Chairperson of the meeting to vote in accordance with the Chairperson's stated voting intentions, which is to vote **in favour of** the Resolutions. Please note that you will be taken to authorise the Chairperson to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the KMP or the Chairperson has an interest in the outcome of the Resolution.
- (3) If you appoint the Chairperson of the meeting as your proxy and you want to direct the votes in respect of your Shares on the Resolutions, you should direct the Chairperson how to vote by marking the relevant box ("For", "Against" or "Abstain") in the Proxy Form.

#### 1.5 Resolution 1 – Remuneration Report Undirected Proxies

If:

- (1) you appoint a director of the Company (other than the Chairperson) or other KMP or any of their closely related parties as your proxy; and
- (2) you do not direct the proxy how to vote on Resolution 1: Adoption of Remuneration Report,

your proxy will not be able to exercise your vote on your behalf on that Resolution.

#### 1.6 Voting Entitlement

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7:00 pm (AEDT) on 27 November 2020 on the Company's register of members. Transactions registered after that time will, therefore, be disregarded in determining entitlements to attend and vote at the Meeting.

Dated: 29 October 2020

By order of the Board



William Kuan  
Company secretary

# Explanatory Memorandum

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This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting and should be read in conjunction with, and forms part of, the Notice of Meeting to which it accompanies.

## 1. Introduction

- 1.1 This Explanatory Memorandum accompanies and forms part of the Notice of Meeting of ASF Group Limited and it is intended to provide Shareholders with information to assist them in assessing the merits of the Resolutions contained in the business to be conducted at the Meeting to be held on 30 November 2020.
- 1.2 A glossary of defined terms used in the Notice of Meeting and this Explanatory Memorandum is set out at in the Glossary which appears the end of this Explanatory Memorandum.
- 1.3 The Directors recommend that Shareholders read the Explanatory Memorandum before making any decisions in relation to the Resolutions set out in the Notice of Meeting.
- 1.4 If any Shareholder is in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

## 2. Business of the Meeting – summary

- 2.1 The business of the Annual General Meeting is to:
  - table the financial statements and reports;
  - consider and, if thought fit, to pass the following Resolutions (Note: except for Resolution 5 which is a special resolution, all other Resolutions are ordinary resolutions):
    - Resolution 1 – to adopt the Remuneration Report for the year ended 30 June 2020;
    - Resolution 2 – to re-elect Mr Geoff Baker as a Director;
    - Resolution 3 – to re-elect Mr Nga Fong (Alex) Lao as a Director;
    - Resolution 4 – to appoint auditor;
    - Resolution 5 – to approve the additional capacity to issue Shares under ASX Listing Rule 7.1A.

## 3. Business: Tabling of the financial statements and reports

- 3.1 Section 317 of the Corporations Act requires the Directors to lay before the Meeting the Company's Financial Statements, Directors' Report and Auditor's Report for the year ended 30 June 2020.
- 3.2 There is no requirement that Shareholders approve the Financial Statements and associated Reports and no Resolution in relation to this matter will be put to the Meeting.
- 3.3 The Company's 2020 Annual Report contains the Financial Statements and the Directors' and Auditor's Reports and has been sent to Shareholders who elected to receive a printed copy. Shareholders can access the 2020 Annual Report on the Company's website at [www.asfgroupltd.com](http://www.asfgroupltd.com).

- 3.4 Shareholders will be provided with a reasonable opportunity at the Meeting to ask questions or make comments on the Financial Statements and the Reports and on the Company's management and business generally. Representatives of the Company's Auditor, Grant Thornton Audit Pty Ltd (**Grant Thornton**), will be attending the Meeting. Shareholders will be given a reasonable opportunity to ask the Auditor relevant questions including those relating to the conduct of the audit, the preparation and content of the Auditor's report, the accounting standards adopted by the Company and the independence of the Auditor.
- 3.5 If Shareholders would like to submit a written question to the Auditor, please send your question to the registered office of the Company or fax it to (612) 9251 9066 for the attention of the Company Secretary. Written questions must relate to the content of the Auditor's Report to be considered at the Meeting or the conduct of the audit. All questions must be received by the Company no later than five Business Days before the day on which the Meeting is held.

#### **4. Resolution 1: Adoption of the Remuneration Report**

- 4.1 The Remuneration Report is included in the Directors' Report and set out in the Company's 2020 Annual Report. Pursuant to section 250R(2) of the Corporations Act, the Company is required to put a Resolution that the Remuneration Report be adopted to a vote of Shareholders at the Meeting. However, Shareholders should note that, pursuant to section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and the outcome of the vote does not bind the Directors or the Company. The Remuneration Report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for Directors and key executives of the Company. The Directors make no recommendation on this Resolution.
- 4.2 Shareholders will be provided with a reasonable opportunity at the Meeting to ask questions or make comments on the Remuneration Report.
- 4.3 Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution ("spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting must be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report will be required to stand for re-election.
- 4.4 At the Company's annual general meeting held on 28 November 2019, the Company received unanimous approval on the adoption of its remuneration report set out in the 2019 annual report.

#### **5. Resolutions 2 to 3: Re-election of Directors**

- 5.1 Rule 79.2 of the Constitution provides that, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding one-third) must retire from office but no Director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than one-third of the Directors retiring from office.
- 5.2 The Directors retiring by rotation are those who have been longest in office since their election. If 2 or more Directors were elected or appointed on the same day, they are required to agree among themselves or determine by lot which of them must retire. A Managing Director appointed under rule 97 is not subject to retirement by rotation and is not taken into account in determining the number of Directors who must retire by rotation under rule 79.2. Under rule 79.5, a retiring Director is entitled to offer himself for re-election.

- 5.3 In accordance with the above, the two Directors that must retire by rotation at this Meeting are Mr Geoff Baker and Mr Nga Fong (Alex) Lao, who were last re-elected to the Board at the 2017 and 2018 annual general meetings of the Company respectively. Mr Geoff Baker and Mr Nga Fong (Alex) Lao have indicated that they will offer themselves for re-election at the Meeting.
- 5.4 Mr Geoff Baker is a qualified lawyer in Australia and Hong Kong with a Commerce degree (Accounting and Financial Management), a Law degree and Master of business administration (MBA). Mr Baker assists in the international operations of the Group. He joined the Group after practising extensively for 30 years as a lawyer in Australia, Japan, Asia and China.
- 5.5 The Directors (other than Mr Geoff Baker) recommend that you vote in favour of Resolution 2. Mr Geoff Baker makes no recommendation to Shareholders. All of the Directors entitled to vote on Resolution 2 intend to vote in favour of Resolution 2.
- 5.6 Mr Nga Fong (Alex) Lao is the managing director of ASF Macau Multinational Holdings Limited and is in charge of the operations of Multinational Youth Travel Agency Limited. Mr Lao resides in Macau where he has business interests in property, travel and retail industries and is Chairman of the Macau Travel Agency Association.
- 5.7 The Directors (other than Nga Fong (Alex) Lao) recommend that you vote in favour of Resolution 3. Mr Nga Fong (Alex) Lao makes no recommendation to Shareholders. All of the Directors entitled to vote on Resolution 3 intend to vote in favour of Resolution 3.

## **6. Resolution 4: Appointment of Auditor**

- 6.1 Grant Thornton, the Company's auditor, has advised the Company that it has applied to Australian Securities and Investment Commission (ASIC) for consent to resign as auditors of the Company with effect from the close of this Meeting. The consent of ASIC is required under the Corporations Act for Grant Thornton to resign as auditor. If ASIC does not grant its consent to resignation, Grant Thornton will continue to hold office as the Company's auditor.
- 6.2 Subject to ASIC consenting to the resignation of Grant Thornton, it is proposed that the Company appoint Nexia Sydney Audit Pty Ltd (**Nexia**) as auditors of the Company.
- 6.3 In accordance with Section 328B(1) of the Corporations Act, the Company has obtained a nomination from a Shareholder for Nexia to be appointed as the Company's auditors. A copy of this nomination is attached to this Explanatory Memorandum.
- 6.4 Nexia has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 4. The Corporations Act requires the Company to obtain the approval of Shareholders for the appointment of Nexia as auditor of the Company.
- 6.5 If Resolution 4 is passed, the appointment of Nexia as the Company's auditors will take effect from the conclusion of this Annual General Meeting or such later date when ASIC consents to the resignation of Grant Thornton.
- 6.6 The Directors recommend Shareholders to vote in favour of Resolution 4.

## 7. Resolution 5: Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A

### *General*

- 7.1 ASX Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an Annual General Meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (**10% Placement Capacity**). The additional 10% placement capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.
- 7.2 The effect of Resolution 5 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during the period of 12 months following the Annual General Meeting without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

### *Eligibility*

- 7.3 An eligible entity under ASX Listing Rule 7.1A is one which has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A.
- 7.4 The Company hereby seeks shareholder approval by way of a **special resolution** to have the ability to issue equity securities under the 10% Placement Capacity.
- 7.5 The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 which 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, a number of equity securities calculated as follows:

#### **(A x D) - E**

where:

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

- (1) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the 12 months;
- (3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- (4) less the number of fully paid shares cancelled in the 12 months;

**Note that A has the same meaning in the ASX 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 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 securities under Rule 7.1 or 7.4.

- 7.6 Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has only one class of quoted securities being fully paid ordinary shares.

**Technical information required by ASX Listing Rule 7.3A**

**7.7 Minimum price**

Any equity securities issued by the Company under ASX Listing Rule 7.1A can only be issued at a price that is no less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed; or
- (2) the date on which the securities are issued if the securities are not issued within 10 trading days of the date on which the issue price is agreed.

**7.8 Dilution to existing security holders**

If Resolution 5 is approved by shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Annual General Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by ASX Listing Rule 7.3A.4 where the number of the Company's shares on issue (variable "A" in the formula in ASX Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 16 October 2020.

Number of shares on issue Variable "A"	Additional 10% placement Shares issued & funds raised	Dilution		
		\$0.031 Issue price at half current market price	\$0.062 Issue price at current market price	\$0.124 Issue price at double current market price
<b>Current</b> 792,798,265	Shares issued	79,279,826	79,279,826	79,279,826
	Funds raised	\$2,457,675	\$4,915,349	\$9,830,698
<b>50% increase</b> 1,189,197,398	Shares issued	118,919,739	118,919,739	118,919,739
	Funds raised	\$3,686,512	\$7,373,024	\$14,746,048
<b>100% increase</b> 1,585,596,530	Shares issued	158,559,653	158,559,653	158,559,653
	Funds raised	\$4,915,349	\$9,830,698	\$19,661,397

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- (1) the Company issues the maximum number of securities available under the additional 10% placement;
- (2) the table shows only the effect of issues of securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
- (3) 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%;
- (4) the table does not show an example of dilution that may be caused to a particular shareholder by reason of the placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting; and
- (5) the issue price at current market price is the closing price of the shares on the ASX on 16 October 2020.

### **7.9 10% placement period**

Shareholder approval under ASX Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (1) The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (2) The time and date of the Company's next annual general meeting; or
- (3) The time and date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

### **7.10 Purpose of 10% additional placement**

The Company may seek to issue securities under the 10% placement for a cash consideration to raise funds for working capital, towards potential transactions or for other corporate purposes deemed by the Board to be in the best interests of the Company.

The Company will comply with any disclosure obligations under ASX Listing Rules 7.1A.4 upon the issue of any securities under ASX Listing Rule 7.1A.

### **7.11 Allocation policy**

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

- (1) the methods of raising funds that are then available to the Company;
- (2) the effect of the issue of the equity securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from professional and corporate advisers (if applicable).

Allottees under the 10% placement have not been determined as at the date of this Notice of Meeting and may include existing and/or new security holders but cannot include any related parties or associates of a related party of the Company.

**7.12 Previous Issues of Securities**

The Company has previously obtained shareholder approval at its annual general meeting on 28 November 2019 to have the additional capacity to issue equity securities under ASX Listing Rule 7.1A.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2019, the Company did not issue any Shares.

**7.13 Voting exclusion**

A voting exclusion statement is not included in the Notice of Meeting as, at the date of the Annual General Meeting, the Company is not proposing to make an issue of Shares under ASX Listing Rule 7.1A.2.

## Glossary

In the Notice of Meeting, unless the contrary intention appears or the context requires otherwise:

**Annual General Meeting, General Meeting and Meeting** means the Company's 2020 annual general meeting.

**ASX** means ASX Limited.

**ASX Listing Rules** means the official listing rules of the ASX.

**Board** means the board of Directors of the Company.

**Business Day** has the same meaning as that given in ASX Listing Rules.

**Chairperson** means the person appointed as the chairperson of the Company for the purposes of the Meeting.

**Company** means ASF Group Limited ACN 008 924 570.

**Constitution** means the current constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth) and associated regulations.

**Director** means a director of the Company and **Directors** has a corresponding meaning.

**Explanatory Memorandum** means this explanatory memorandum that forms part of this Notice of Meeting.

**Notice** or **Notice of Meeting** means this notice of meeting and explanatory memorandum for the Meeting.

**Proxy Form** means the proxy form attached to and forming part of this Notice of Meeting.

**Remuneration Report** means the Company's remuneration report for the financial year ended 30 June 2020.

**Resolution** means a resolution referred to in the Notice of Meeting.

**Share** means an ordinary share in the capital of the Company and **Shares** has a corresponding meaning.

**Shareholder** means a person who is registered in the Company's register of members as a holder of Shares and **Shareholders** has a corresponding meaning.

**Share Registry** means Boardroom Pty Limited.

**VWAP** means volume weighted average price.

19 October 2020

The Directors  
ASF Group Limited  
Suite 2, 3B Macquarie Street  
SYDNEY NSW 2000

Dear Directors

**Nomination of Auditor**

For the purpose of section 328B(3) of the Corporations Act 2001 (Cth), in the capacity as a Shareholder of ASF Group Limited (the "Company"), I Kwok Hung So hereby nominates Nexia Sydney Audit Pty Limited as the Company's proposed new auditor, assuming that ASIC gives its consent to the resignation by the Company's current auditors.

Yours faithfully  
Kwok Hung So



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**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 12, 225 George Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 4:30 PM (AEDT) Saturday 28 November 2020.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows: November

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **4:30 PM (AEDT) Saturday 28 November 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 12, 225 George Street  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **ASF Group Limited** and entitled to attend and vote hereby appoint

Appoint the **Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the **Annual General Meeting of ASF Group Limited to be held at Suite 2, 3B Macquarie Street, Sydney NSW 2000 on Monday, 30 November 2020 at 4:30 pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Important for Resolution 1**

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, by not marking any of the below "For", "Against" or "Abstain" boxes you will have directed the Chairman of the Meeting to vote in favour of Resolution 1 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Note: If you do not wish to give the Chairman of the Meeting such a directed proxy, you should ensure that a box other than the "For" box is clearly marked for Resolution 1 and in Step 2 below.

The Chairman of the Meeting will vote all undirected proxies in favour of all Resolutions.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of a Director, Mr Geoff Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of a Director, Mr Nga Fong (Alex) Lao	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2020