



Annual Report, Notice of Meeting and Proxy Form Mailing to Shareholders

29 April 2016

Aquis Entertainment Limited (**ASX: AQS**) advises that the Notice of Meeting and Proxy Form is being mailed to all shareholders today 29 April 2016. A copy of the Notice of Meeting and Proxy Form is attached.

The Annual Report for the period ended 31 December 2015 is also being mailed today to those shareholders who have requested a copy.

Enquiries please contact:

Jessica Mellor
Executive Director
02 6257 7074
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AQUIS ENTERTAINMENT LIMITED

ACN 147 411 881

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting: Tuesday 31 May 2016
Time of Meeting: 11:30 am
Place of Meeting Level 2, Icon Energy Building
2 – 4 Miami Key
Broadbeach Waters, QLD 4218

21 Binara St
Canberra ACT 2601
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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Aquis Entertainment Limited (the **Company**) will be held at **11:30 am on Tuesday 31 May 2016** at Level 2, Icon Energy Building 2 – 4 Miami Key Broadbeach Waters, QLD 4218

The Explanatory Memorandum and proxy form, which accompany and form part of this Notice, describe in more detail the matters to be considered. The Directors recommend Shareholders read the Notice of Meeting, the accompanying Explanatory Memorandum and the proxy form in full before making any decision in relation to the Resolutions.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Memorandum which accompanies this Notice. References to the “Corporations Act” are to the *Corporations Act 2001* (Cth), unless the context requires otherwise.

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Reports
2. Remuneration Report
3. Re-election of Directors

SPECIAL BUSINESS

4. Approve Long Term Incentive Plan
5. Approve Consolidation of Loans
6. Approve Issue of Shares to Ms Jessica Mellor

ORDINARY BUSINESS

Item 1: Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report in respect of the period ended 31 December 2015 (**Reports**).

Neither the Corporations Act nor the Constitution requires Shareholders to vote on the Reports. However, Shareholders will be given ample opportunity to raise questions about the Reports at the meeting.

Item 2: Remuneration Report

Resolution 1 : Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution as an Ordinary Resolution:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company be authorised to adopt the Remuneration Report for the 6 month period ended 31 December 2015."

Advisory Vote

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the Chair and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel

For completeness, the Company notes that Remuneration Report relates to the period from 1 July 2015 (the date to which the previous Remuneration Report issued on 22 September 2015 was prepared) to 31 December 2015.

Item 3: Re-election of Directors

Resolution 2: Re- election of Mr. Tony Fung

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

"That Mr. Tony Fung, who retires by rotation in accordance with Clause 7.2(f) of the Constitution, and being eligible offers himself for re-election, be re-elected as a Director of the Company with effect from the close of the Meeting."

Resolution 3: Re- election of Mr. Justin Fung

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

“That Mr. Justin Fung, who retires by rotation in accordance with Clause 7.2(f) of the Constitution, and being eligible offers himself for re-election, be re-elected as a Director of the Company with effect from the close of the Meeting.”

SPECIAL BUSINESS

Item 4: Approve Long Term Incentive Plan for Executive Directors and Senior Executives

Resolution 4: Approve Long Term Incentive Plan for Executive Directors and Senior Executives

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

“That for the purposes of Listing Rule 7.2 Exception 9, the Corporations Act S260C (4) and for all other purposes, the Aquis Entertainment Limited Share Rights Plan (the Plan) and any grants of Rights (as defined in the Plan) and any resultant issues of Shares (fully paid ordinary shares in Aquis Entertainment Limited) that result from the exercising of Rights under the Plan, as well as any financial assistance resulting from the operation of the Plan, as described in the Explanatory Notes to this Notice of Meeting, be approved.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 4 by:

- (a) a Director (except one who is ineligible to participate in the Long Term Incentive Plan) or their associates; or
- (b) other members of the Key Management Personnel or a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the Chair and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In addition to the voting restrictions specified above, a Restricted Voter must not vote as a proxy on this Resolution 4 unless the proxy appointment specifies the way the proxy is to vote on the Resolution. This restriction does not apply if:

- (a) the proxy is the Chair of the meeting; and
- (b) the proxy appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

Item 5: Consolidation of Loans

Resolution 5: Approve Consolidation of Loans under Amended Loan Conversion Deed

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to:

- (a) *enter into the Amended Loan Conversion Deed between the Company and Aquis Canberra Holdings; and*
- (b) *issue up to 250,000,000 Shares to Aquis Canberra Holdings upon exercise of the conversion rights pursuant to the Amended Loan Conversion Deed.*

on the terms and conditions set out in the Explanatory Statement, including the condition that Aquis Canberra Holdings and its associates’ voting power in the Company cannot increase to more than 89.59% if the conversion rights are exercised under the Amended Loan Conversion Deed.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 5 by Aquis Canberra Holdings and any associate of that person.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

Item 6: Issue of Shares to Jessica Mellor

Resolution 6: Approve Issue of Shares to Jessica Mellor

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

“That, for the purposes of section 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue of up to 4,628,526 ordinary shares in the Company (representing 2.5% of the issued capital of the Company following issue) for no consideration to Executive Director Ms Jessica Mellor or her nominee, on the terms and conditions in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 6 by Jessica Mellor and any associate of that person.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

Further, the Company will disregard any votes cast on this Resolution 6 (in any capacity) by or on behalf of a related party of the person to whom the resolution would permit a financial benefit to be given or an Associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a

related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party.

In addition to the voting restrictions specified above, a Restricted Voter must not vote as a proxy on this Resolution 6 unless the proxy appointment specifies the way the proxy is to vote on the Resolution. This restriction does not apply if:

- (a) the proxy is the Chair of the meeting; and
- (b) the proxy appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

Shareholders may also choose to direct the Chair to vote against this Resolution 6 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above).

Voting Intention of the Chair for all Resolutions

Subject to the voting exclusion statements provided above, if you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy, even if the relevant resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act and the ASX Listing Rules.

Record Date - Snap Shot Time

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a 'snap shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 7:00pm (AEST) on Sunday 29 May 2016 (**Record Date**).

Voting Instructions

Registered holders of the ordinary shares of the Company on the Record Date will be entitled either to attend the Meeting in person to vote the securities held by them or, provided a completed and executed proxy form has been delivered to the Company as indicated below, vote their securities by proxy.

Proxy Forms for the Meeting are enclosed with this Notice of Meeting. These proxy forms provide further details on appointing a Proxy. Proxy forms (and the original or a certified copy of the power of attorney if the Proxy Form is signed by an attorney) must be received by the Company, by no later than 11:30 am on Sunday 29 May 2016, in accordance with the lodgement instructions detailed on the applicable proxy form.

Any proxy form received after the relevant time noted above will not be valid for the Meeting.

By order of the Board

Garry Gill
Company Secretary
27 April 2016

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Shareholders to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at **11:30 am on Tuesday 31 May 2016** at Level 2, Icon Energy Building 2 – 4 Miami Key Broadbeach Waters, QLD 4218

Terms used in this Explanatory Memorandum are defined in Section 10 below.

Item 1 Financial Statements and Reports

The Company's Annual Report is placed before the Shareholders for discussion. In accordance with the Corporations Act and the Company's corporate governance policies, Shareholders will be given a reasonable opportunity at the meeting to ask questions or make comments on Company matters.

A representative of the Company's auditor, RSM Australia, will be present and will answer written questions submitted to the Company no later than five Business Days before the meeting. The auditor will also be available to answer questions from Shareholders relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

No voting is required for this item.

Item 2 Remuneration Report

Resolution 1 - Remuneration Report

The Remuneration Report which details the remuneration of the Directors and company secretary is set out in the Financial Report, which may be viewed on the Company's website (www.aquisentertainment.com).

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution. This resolution shall be determined as if it were an Ordinary Resolution, although under Section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company. However the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of this Ordinary Resolution. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

Item 3 Re-election of

Resolution 2 - Re- election of Mr. Tony Fung

Clause 7.2(f) of the Constitution requires that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire based upon length of tenure.

Mr. Tony Fung retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Information about Mr. Fung is set out in the Annual Report which may be viewed on the Company's website (www.aquisentertainment.com).

Directors' Recommendation

The Directors (with Mr. Fung abstaining) recommend that Shareholders vote in favour of this Ordinary Resolution.

Resolution 3 - Re- election of Mr. Justin Fung

Clause 7.2(f) of the Constitution requires that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire based upon length of tenure.

Mr. Justin Fung retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Information about Mr. Fung is set out in the Annual Report which may be viewed on the Company's website (www.aquisentertainment.com).

Directors' Recommendation

The Directors (with Mr. Fung abstaining) recommend that Shareholders vote in favour of this Ordinary Resolution.

Item 4: Approve Long Term Incentive Plan for Executive Directors and Senior Executives

Resolution 4 - Approve Long Term Incentive Plan for Executive Directors and Senior Executives

Shareholder approval is being sought for the implementation of the Aquis Entertainment Limited Share Rights Plan. The approval is sought to:

- exclude from the calculation of the 15% Limit, any Shares that are issued under the Plan on exercise of Rights that were granted under the Plan, during the next three (3) years; and
- exempt the giving of financial assistance to a Participant to acquire shares under the Plan from the restrictions imposed by Section 260A of the Corporations Act (Section 260C (exemption 4)).

Summary of the Plan

Senior executive remuneration is determined by the non-executive members of the Board, having consideration of relevant market practices and the circumstances of the Company on an annual basis. It is the view of the non-executive Directors of the Board that it is in the interests of Shareholders for the Participants to receive part of their TRP's in the form of Rights.

The Plan is therefore designed to create alignment between shareholder benefit and the remuneration of the Participants. If approved, grants under the Plan will facilitate the Company providing appropriate, competitive and performance-linked remuneration to senior executives. The non-executive members of the Board seek to ensure that grants to senior executives are made at levels that will appropriately position their TRPs in the market, in accordance with the Company's remuneration policies. The Board regularly reviews market positioning, the elements and mix of remuneration for senior executives to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company.

Non-executive directors are not eligible to participate in the Plan.

As at the date of this Notice of Meeting, no Rights have been issued under the Plan.

A summary of the main features of the Plan is set out in the table below:

Aspect	Details
Instrument	<p>The Plan will operate through a series of offers of Rights to be made to eligible employees.</p> <p>The Plan uses Rights which are entitlements on vesting to fully paid ordinary shares in Aquis Entertainment Limited. Rights are granted for no monetary consideration and the exercise price of a Right is nil, unless otherwise determined by the Board. One vested Right is an entitlement to one Share.</p> <p>The Plan allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being:</p> <ul style="list-style-type: none">• Performance Rights which vest when performance conditions have been satisfied,• Retention Rights which vest after the completion of a period of service, and• Restricted Rights which are vested but subject to disposal restrictions. <p>It is currently anticipated that Performance Rights only will be used initially but Retention and/or Restricted Rights may be used in the future.</p>
Eligibility	<p>All full time and permanent part time employees of the Company and its subsidiary companies are eligible to participate. The Board will determine which employees will be offered Rights.</p> <p>Non-executive directors are not eligible to participate in the Plan.</p>

Aspect	Details
Terms & Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan, including the vesting conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Performance Rights offered will be subject to vesting conditions which are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the Plan include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to Shareholders and the treatment of Rights in the circumstances of various forms of termination of employment.</p>
Number of Rights	<p>The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's base remuneration package, relevant market practices and the relevant policies of the Company regarding their remuneration.</p>
Measurement Period	<p>The Measurement Period may be determined by the Board as part of each offer, but is initially intended to be three years (starting from the start of the financial year in which a grant is made) with no vesting, when applicable, prior to the end of the Measurement Period. Different Measurement Periods may be applied when warranted.</p>
Vesting Conditions	<p>Vesting conditions are to be determined by the Board as part of each offer; however the conditions selected are intended to create alignment with the experiences and expectations of Shareholders over the Measurement Period.</p> <p>The Board retains discretion to vary vesting including if it forms the view that the level of vesting that would otherwise apply would be inappropriate in the circumstance having regard to the experience of Shareholders during the relevant Measurement Period.</p> <p>If any Rights do not vest at the end of the Measurement Period then they will lapse.</p>
Exercise of Vested Rights	<p>Vested Rights may be exercised at any time within their Term which will be 5 years unless otherwise determined by the Board.</p> <p>On exercise of vested Rights the Participant will be provided with one Share for each Right exercised. Shares may be provided directly by a new issue or via the Aquis Entertainment Limited Employee Share Trust.</p>
Cessation of Employment	<p>The Plan contains provisions concerning the treatment of vested and unvested Rights in the event that a Participant ceases employment.</p> <p>If a Participant ceases employment other than in special circumstances, all unvested Rights held by the Participant will lapse unless otherwise determined by the Board.</p> <p>If a Participant ceases employment in special circumstances (death, total and permanent disablement, retirement, redundancy, retrenchment and other company initiated terminations for other than cause) the Rights that were granted to the Participant during the financial year in which the termination occurred will be forfeited in the same proportion as the remainder of the financial year bears to the full year. All remaining unvested Rights may vest to the extent determined by the Board and those that do not vest will lapse.</p>

Aspect	Details
Change of Control of the Company	<p>In the event of a change of control:</p> <ul style="list-style-type: none"> • Rights that were granted to the Participant during the financial year in which the Change of Control occurred will be forfeited in the same proportion as the remainder of the financial year bears to the full year. • Remaining unvested Rights will vest in the same proportion as the Share Price has increased since the beginning of the Measurement Period applicable to the tranche of Rights. • Residual unvested Rights will either lapse or some or all may vest in the Board's discretion.
Disposal Restrictions	<p>Rights are subject to disposal restrictions at all times and cannot be sold, transferred, dealt with or otherwise encumbered at any time. Shares that result from the exercising of Rights will generally be subject to disposal restrictions and will therefore be Restricted Shares which also cannot be sold, transferred, dealt with or otherwise encumbered until the following cease to apply:</p> <ul style="list-style-type: none"> • restrictions specified under the Company's Securities Trading Policy, which allows dealing in Company securities only during specified windows, • Corporations Act restrictions related to insider trading, and • any additional disposal restriction that is specified as part of the relevant Offer. <p>Exceptions required by law will apply where necessary.</p>
Voting and Dividend Rights	<p>Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry the rights and entitlements of Shares, including voting and dividend rights.</p>
Quotation	<p>Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.</p>
Variation of Terms and Conditions	<p>To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Plan. This includes varying the number or terms of securities to which a Participant is entitled in the case of a reorganisation of capital or bonus issues such that the participant will neither be advantaged nor disadvantaged.</p>
Issue or Acquisition of Shares	<p>Shares allocated to a Participant when Rights are exercised may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.</p>
Cost and Administration	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.</p>
Other Terms of the Plan	<p>The Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.</p>
Hedging	<p>The Plan prohibits the hedging by Participants of Rights and Shares subject to disposal restrictions.</p>

Aspect	Details
Lapse and Forfeiture of Rights	Rights will lapse if they are unvested and there is no possibility for them to vest.

A voting exclusion statement is included under Resolution 4 in this Notice of Meeting.

No loans will be provided to any Participants in relation to the acquisition or exercise of Rights under the Plan.

Directors' Recommendation

The Directors (with the executive Directors abstaining) recommend that Shareholders vote in favour of this Ordinary Resolution

Item 5: Approval of Consolidation of Loans and Amended Loan Conversion Deed

Resolution 5 - Approval of Consolidation of Loans and Amended Loan Conversion Deed

Background

Resolution 5 seeks approval to enter into an Amended Loan Conversion Deed with the Company's largest shareholder, Aquis Canberra Holdings Under the Amended Loan Conversion Deed, Aquis Canberra Holdings, a related party of the Company for the purposes of ASX Listing Rule 10.11, will have the right to be issued Shares in the Company.

As disclosed in the Company's previous notice of meeting for its general meeting held on 10 July 2015 and also the Company's Replacement Prospectus dated 20 July 2015, the Company and its subsidiaries are parties to a number of existing loan agreements (as borrowers) with Aquis Canberra Holdings and its holding company Newberth Ltd. The aggregate principal lent under these existing loans is \$36,450,000. Certain of these loans are convertible under certain circumstances into Shares in the Company. The Company proposes to consolidate these existing loans into one new loan for the same outstanding principal of \$36,450,000, all which will be convertible under certain circumstances into Shares in the Company.

This section 5 provides shareholders with information in respect of the proposed new arrangements and the reasons the Directors recommend that shareholders vote in favour of Resolution 5.

Existing Loan Arrangements

The Company is currently 88.51% owned by Aquis Canberra Holdings.

The Company and a number of its wholly owned subsidiaries (together, the **AQS Group**) originally entered into the following agreements:

- four intercompany loan agreements between entities within the AQS Group (as borrowers) and a combination of Aquis Canberra Holdings (Aus) Pty Ltd and Newberth Ltd, a holding company of Aquis Canberra Holdings (as lenders) (the **Existing Loan Agreements**); and
- a loan conversion deed between Aquis Canberra Holdings, the Company and other entities within the AQS Group (the **Existing Conversion Deed**), under which two of the Existing Loan Agreements can be repaid, at the election of either the Company or Aquis Canberra Holdings, by the issuance of Shares in the Company to Aquis Canberra Holdings,

(together, the **Existing Loan Arrangements**).

The existing loan agreements have an aggregate principal amount of \$36,450,000. The Existing Loan Conversion Deed relates to two of the Existing Loan Agreements, under which Aquis Canberra Holdings lends to the Company a total of \$15.75 million. The remaining existing loans are not currently convertible.

The Existing Loan Arrangements can be summarised as follows:

Lender	Borrower	Amount	Convertible?	Interest Rate
Newberth Limited	Casino Canberra Limited	\$700,000	No	8%
Newberth Limited	Aquis Entertainment Limited	\$20 million	No	BBSY + 2%
Aquis Canberra Holdings	Casino Canberra Limited	\$2 million	Yes	8%
Aquis Canberra Holdings	Aquis Canberra Pty Ltd	\$13.75 million	Yes	8%

Under the Existing Conversion Deed, Aquis Canberra Holdings is granted the right to convert the outstanding balance under two relevant existing loans into Shares at any time up to 25 August 2020 (being 5 years the Company's shares were reinstated on ASX), at a conversion price of \$0.20 per share. This conversion right allows for the issue of up to 173,325,350 Shares, subject to a condition restricting conversion to the extent it would cause Aquis Canberra Holdings' voting power in the Company to exceed 89.59%.

The Existing Loan Arrangements were described in detail in the Company's previous notice of meeting for its general meeting held on 10 July 2015 and also the Company's Replacement Prospectus dated 20 July 2015 and were approved by Shareholders at that general meeting.

Proposed New Loan Arrangements

The Company is seeking to consolidate and simplify the Existing Loan Arrangements by entering into the following agreements:

- a single loan agreement between the Company and Aquis Canberra Holdings, under which Aquis Canberra Holdings will provide the Company with a \$36,450,000 AUD loan (**New Loan Agreement**), being equal to the total amount outstanding under the Existing Loan Arrangements; and
- an amended loan conversion deed between the Company and Aquis Canberra Holdings, which amends the Existing Conversion Deed to allow for the outstanding balance (or a portion of the outstanding balance, see below) under the New Loan Agreement to be converted into Shares (**Amended Loan Conversion Deed**),

(together, the **New Loan Arrangements**).

Existing Loan Arrangements will be effectively discharged and replaced by the New Loan Arrangements.

Shareholder approval is now sought under Resolution 5 of this meeting to implement the New Loan Arrangements. Specifically, approval is sought for the Company to:

- enter into the Amended Loan Conversion Deed between the Company and Aquis Canberra Holdings; and
- issue Shares to Aquis Canberra Holdings upon exercise of the conversion rights pursuant to the Amended Loan Conversion Deed,

on the terms and conditions, and in accordance with the formula, set out in this Explanatory Statement.

Summary of the New Loan Arrangements

The Company proposes to enter into a loan agreement under which it would be lent the amount of \$36,450,000 by Aquis Canberra Holdings. In addition, the Existing Loan Conversion Deed will be amended to apply to the New Loan Agreement so that Aquis Canberra Holdings has the right to, at its sole election, convert all of the outstanding amount of the new loan owing to it into Shares at any time before the loan's maturity date. The key terms of the New Loan Arrangements are summarised below:

(Term): the New Loan Agreement matures on 25 August 2024 (**Maturity Date**);

(Interest): interest is payable on the balance of the new loan at an interest rate of the lower of:

- BBSY + 2% per annum; and

- (b) the Reserve Bank of Australia's indicator lending rate for small business; variable; residential secured and term rates.

Interest will accrue monthly and will be capitalised on the last day of each month.

(Repayment/conversion): the outstanding amount under the new loan may be repaid in any of the following ways:

- (c) at the sole election of Aquis Canberra Holdings under the Amended Loan Conversion Deed, by conversion into Shares at a conversion price of \$0.20 per Share, provided that the Company is not required to issue Shares to the extent that conversion would result in either:
- (i) the issue of greater than 250,000,000 Shares; or
 - (ii) Aquis Canberra Holdings and its associates having voting power in the Company in excess of 89.59%;
- (d) the Company prepays to Aquis Canberra Holdings all or any part of the amount outstanding on the new loan in cash at any time up to the date that is 5 Business Days before the Maturity Date;

(Redemption Event and Events of Default): a redemption event or event of default occurs in which case Aquis Canberra Holdings may require the outstanding amounts under the new loan be repaid in cash immediately;

(Shareholder Approval) in the event that the Company fails to obtain any requisite Shareholder approvals for the issue of Shares within two months of Aquis Canberra Holdings issuing a conversion notice, then the new loan becomes immediately repayable in cash;

(Reconstruction): in the event of a reconstruction or reorganisation of the capital of the Company by way of consolidation, subdivision, reduction, return, scheme of arrangement or otherwise (but other than by way of a bonus issue, rights issue or other security issue), a proportionate adjustment will be made to the number and issue price of Shares to which Aquis Canberra Holdings is entitled upon conversion of the new loan so that:

- (a) the value of the right to convert the outstanding amount is not adversely affected by the reconstruction; and
- (b) Aquis Canberra Holdings is not conferred with any additional benefits which are not also conferred on the holders of Shares and the Shareholders will not receive a benefit that Aquis Canberra Holdings does not receive;

The adjustments must be in accordance with the ASX Listing Rules (and in particular ASX Listing Rules 7.21 and 7.22) and the Amended Loan Conversion Deed must be varied to the extent necessary to comply with the ASX Listing Rules (and in particular ASX Listing Rules 7.21 and 7.22) applying to a reorganisation of capital at the time of the reorganisation; and

(Loan Conversion Deed): in addition to the new loan the Company will also enter into the Amended Loan Conversion Deed which will give effect to the conversion provisions described above in respect of the entire outstanding balance under the new loan.

Reasons for entering into the New Loan Arrangements

The Directors of the Company believe that entering into the New Loan Arrangements is in the best interests of the Company. Reasons in favour of entering into the New Loan Arrangements include that:

- by entering into the New Loan Arrangements, the Company will simplify and consolidate, but not substantially alter, its financing arrangements;
- the simplification of the Company's financing arrangements will improve the Company's prospects of procuring financing from third parties, which is likely to be required for the Company's planned future projects as disclosed in the Company's prospectus;
- securing shareholder approval for the issue of Shares from the outset of entry into the New Loan Arrangements brings greater commercial certainty to the Company, its shareholders and any potential financiers;

- the aggregate interest rate charged on the New Loan Agreement is lower than under the Existing Loan Agreements, based on the BBSY rate as at 26 April 2016, being the last practicable date prior to printing of this Explanatory Memorandum. In contrast, each of the Existing Loan Agreements other than the \$20 million loan provided by Newberth Ltd is subject to an 8% interest rate;
- Aquis Canberra Holdings will replace the various lenders as the sole lender to the AQS Group. No funds will flow as a result of the transaction and the net borrowing position of the AQS Group will not change following the consolidation of the Existing Loan Agreements; and
- Shareholders still have certainty as to the maximum voting power of Aquis Canberra Holdings and its associates under the new arrangements. The conversion rights remain subject to the same 89.59% limit on Aquis Canberra Holdings' voting power consistent with the other approvals previously obtained by the Company. In addition, the total number of Shares which can be issued to Aquis Canberra Holdings under the New Loan Arrangements is capped at 250,000,000 Shares.

ASX Listing Rule 10.11

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

As Aquis Canberra Holdings is a related party of the Company, the issue of Shares under the Amended Loan Conversion Deed involves the issue of Shares to a related party of the Company and entering into the Amended Loan Conversion Deed constitutes an agreement to undertake such issue. Accordingly, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shares under the Amended Loan Conversion Agreement:

- (a) the Shares will be issued by the Company to Aquis Canberra Holdings;
- (b) the maximum number of Shares to be issued is 250,000,000;
- (c) the convertibility of the New Loan Agreement conferred by the approval sought under Resolution 5 will take place with effect from the close of the Meeting and therefore not more than 1 month after the date of this Meeting;
- (d) the deemed issue price of Shares issued upon conversion under the Amended Loan Conversion Deed will be \$0.20 per Share;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing ordinary Shares; and
- (f) no new funds will be raised in respect of the Shares issued upon conversion of the outstanding amount under the New Loan Arrangements.

Directors' Recommendation

The Directors (other than Messrs Tony and Justin Fung) recommend that Shareholders vote in favour of Resolution 5 for the reasons outlined in this section 5.

Messrs Tony and Justin Fung are associates of Aquis Canberra Holdings Pty Ltd and make no recommendation in respect of this Resolution 5.

Voting

Note that a voting exclusion applies to Resolution 5 in the terms set out in the Notice.

Shareholders should carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

Item 6: Approval of Issue Shares to Jessica Mellor

Resolution 6 – Approve Issue Shares to Jessica Mellor

Background

The Company seeks to issue up to 4,628,526 Shares in the Company to Jessica Mellor for nil consideration. The Board proposes to issue these Shares to Ms Mellor in recognition of her outstanding contribution to the Company's activities since admission to ASX in 2015.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, as a director, Ms Mellor is a related party of the Company.

The proposed issue of ordinary Shares in the Company to Jessica Mellor for nil consideration is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related parties to whom the proposed Resolution would permit the financial benefit to be given and the nature of the financial benefit

As outlined above, it is proposed that Ms Jessica Mellor be provided with a financial benefit, being the issue of ordinary shares in the Company for nil consideration.

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The financial benefit to be provided is the issue of up to 4,628,526 ordinary Shares in the Company. Based on the trading price of shares in the Company as at the date of this Explanatory Memorandum, the value of the benefit is approximately \$314,740. The Shares so issued will rank equally with all other ordinary Shares in the Company.

The Company is currently in the early stages of implementing its development plans and Ms Mellor has been instrumental in the Company's pursuit of those plans since its admission to ASX in 2015. Given the expected capital requirements of the Company in the upcoming period, the Directors (other than Ms Mellor) consider that the grant of ordinary shares proposed by this resolution represents a cost effective way for the Company to remunerate and retain Ms Mellor, as opposed to cash remuneration. The Directors (other than Ms Mellor) do not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the ordinary shares as proposed.

Current Holdings

Ms Mellor does not currently hold any securities in the Company.

Dilution effect of the issue of shares on existing members' interests

The Company currently has 185,141,050 ordinary Shares on issue. If all 4,628,526 ordinary Shares as proposed above are issued, the effect would be to dilute the shareholding of existing Shareholders by 2.5%. The Directors (other than Ms Mellor) do not consider this to be a material dilution in the context of the reasons for the proposed issue of the shares as outlined above.

Valuation of the financial benefit

As outlined above, based on the trading price of shares in the Company as at the date of this Explanatory Memorandum (being \$0.068), the value of the benefit is approximately \$314,740. Based on the volume weighted average trading price of the Company's ordinary Shares in the past 3 months, the value of the financial benefit is \$356,397.

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX between re-admission to ASX on 25 August 2015 and 27 April 2016, being the last practicable date prior to printing of this Explanatory Memorandum:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
\$0.185 / 28 August 2016	\$0.06 / 24 February 2016 and 20 April 2016	\$0.068 / 27 April 2016

Ms Mellor's total remuneration package

Ms Mellor's total remuneration per annum (including superannuation) and the total financial benefit to be received for the 2016 financial year, as a result of the grant of the ordinary Shares proposed under Resolution 6 is as follows:

Salary -	Director Fees per annum	Value of ordinary shares to be issued	Total Financial Benefit (A\$)
\$204,400	<i>nil</i>	\$314,740	\$519,140

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any material costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the ordinary shares proposed pursuant to Resolution 6.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefit contemplated by Resolution 6.

Directors' recommendation

All the Directors other than Ms Mellor were available to make a recommendation and have no interest in the outcome of Resolution 6. For the reasons noted above, all of those Directors recommend that Shareholders vote in favour of Resolution 6.

The Board (other than Ms Mellor) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

Jessica Mellor declines to make a recommendation about Resolution 6 as she has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of ordinary Shares to herself or her nominee.

Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of the ordinary Shares to Ms Mellor contemplated by Resolution 6.

The following information in relation to the Shares to be granted pursuant to Resolution 6 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the relevant Shares will be granted to Ms Jessica Mellor or her nominee, as noted above;
- (b) the maximum number of Shares to be issued is 4,628,526;
- (c) the Shares will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Shares will be granted for no consideration on terms equivalent to and ranking equally with, all other ordinary Shares in the Company; and
- (e) no funds will be raised by the issue of the relevant Shares.

If approval is given for the issue of the relevant Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolution 6 in the terms set out in the Notice.

Shareholders should carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

3. Information for Shareholders

Shareholders who are entitled to vote

The Company has determined that for the purpose of voting at the meeting, shares will be taken to be held by those members recorded in the Company's Register of Members as at **7:00pm (AEST) on Sunday 29 May 2016**.

Proxy Votes

A member entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a member of the Company.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy as he or she chooses, even if the relevant resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

To be valid, the Proxy Form must be lodged at least 48 hours before the time for holding the meeting by one of the following methods:

- by post at:
Share Registry – Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
- by personal delivery at:
Share Registry – Boardroom Pty Limited
Level 12, 225 George St
Sydney NSW
- by voting online at: www.votingonline.com.au/aqsagm2016
- by facsimile: +61 2 9290 9655

If the Proxy Form is executed under a power of attorney that has not been noted by the Company, the power of attorney must accompany the Proxy Form

In the case of joint shareholders, the names of all joint shareholders should be shown and all joint shareholders should sign the Proxy Form.

4. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

15% Limit means the number of Shares that may be issued without Shareholder approval pursuant to Listing Rule 7.1

AEST means Australian Eastern Standard Time;

AGM means annual general meeting;

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect of the period ended 31 December 2015;

Aquis Canberra Holdings means Aquis Canberra Holdings (Aus) Pty Ltd ACN 167 934 992;

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited;

Auditor's Report means the auditor's report on the Financial Report, in respect of the period ended 31 December 2015;

BBSY means the average bid rate displayed at or about 10.30am Canberra time on the first day of the relevant period on the Reuters screen BBSY page for a term equivalent to the relevant period, or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters;

Business Day means a day on which all banks are open for business generally in Canberra;

Chair means the person chairing the Meeting;

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of the definition of closely related party;

Company means Aquis Entertainment Limited ACN 147 411 881 (ASX: AQS);

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth);

Directors mean the board of Directors of the Company as at the date of the Notice of Meeting being Messrs Tony Fung, Raymond Or, Justin Fung, Alex Chow, Russell Shields, Dr Ken Chapman and Ms Jessica Mellor;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the period ended 31 December 2015;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the period ended 31 December 2015;

Key Management Personnel or **KMP** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

Listing Rules means the official listing rules of the ASX as amended from time to time;

Meeting means the Annual General Meeting to be held on Tuesday 31 May 2016 at 11:30 am as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Participant means senior executive including executive Directors who are selected to participate in the Plan;

Plan means the Aquis Entertainment Limited Share Rights Plan;

Related Party has the meaning in section 228 of the Corporations Act;

Remuneration Report means the section of the Directors' Report in the Financial Report dealing with the remuneration of the Directors, company secretary and senior executives, described as the 'Remuneration Report';

Resolutions means the resolutions set out in the Notice of Meeting;

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting;

Securities has the meaning given to that term in the Listing Rules;

Shares means fully paid ordinary shares in the Company from time to time;

Shareholder means a shareholder of the Company; and

TRP means Total Remuneration Package.



All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** 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 11:30am AEST on Sunday 29 May 2016.**

TO VOTE ONLINE

- STEP 1:** VISIT www.votingonline.com.au/aqsagm2016
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

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 Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair 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 Chair 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:

(a) 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.

(b) 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:

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 **11:30am AEST on Sunday, 29 May 2016.** 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:

 **Online** www.votingonline.com.au/aqsagm2016

 **By Fax** + 61 2 9290 9655

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

 **In Person** Boardroom Pty Limited
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 **Aquis Entertainment Limited** (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair 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 Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Icon Energy Building, Level 2, 2-4 Miami Key, Broadbeach Waters, QLD 4218 on Tuesday, 31 May 2016 at 11:30am AEST** 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.

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention) even though Resolutions 1, 4 and 5 are or may be connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair of the Meeting.

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	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr. Tony Fung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr. Justin Fung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve Long Term Incentive Plan for Executive Directors and Senior Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approve Consolidation of Loans and Amended Loan Conversion Deed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approve Issue of Ordinary shares to Ms. Jessica Mellor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Individual or Securityholder 1 <input style="width: 100%; height: 30px;" type="text"/> Sole Director and Sole Company Secretary	Securityholder 2 <input style="width: 100%; height: 30px;" type="text"/> Director	Securityholder 3 <input style="width: 100%; height: 30px;" type="text"/> Director / Company Secretary
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Contact Name..... Contact Daytime Telephone..... Date / / 2016