



FINZSOFT SOLUTIONS LIMITED

("Company")

NOTICE OF SPECIAL MEETING

Notice is given that a special meeting of shareholders of the Company (**Shareholders**) will be held at the offices of Generator, Level 12, 11 Britomart Place, Britomart (Entrance through Espresso Workshop Café), Auckland, on Tuesday, 29 October 2019 commencing at 3:30 p.m. (the **Meeting**). You are invited to attend the Meeting and to join the directors for light refreshments at the conclusion of the Meeting.

The business of the Meeting will be:

1. **Presentations**

The Chairman's address to Shareholders.

2. **Resolutions**

Resolution 1:

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

"Acquisition of shares by Silverlake Axis Ltd

That, for the purposes of rule 7(c) of the Takeovers Code, the acquisition of 3,839,785 ordinary shares in the Company by Silverlake Axis Ltd pursuant to the Deed of Settlement and Implementation is approved."

Resolution 2:

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

"Acquisition of shares by HGH (ICT Investments No. 2) Limited

That, for the purposes of rule 7(c) of the Takeovers Code, the acquisition of 3,689,205 ordinary shares in the Company by HGH (ICT Investments No. 2) Limited pursuant to the Deed of Settlement and Implementation is approved."

Please see the Explanatory Notes in respect of Resolutions 1 and 2 below.

Each of Resolutions 1 and 2 is interdependent, and requires that each of those Resolutions be passed by Shareholders in order for the transactions referred to in those resolutions to be effected. If either Resolution 1 or 2 is not approved, then neither Resolution may be approved.

None of SHGH, Silverlake, HGH or any of their respective associates (as that term is defined in the Takeovers Code) is entitled to vote, appoint a proxy or exercise discretionary proxies in respect of Resolutions 1 or 2, in accordance with rule 17(1) of the Takeovers Code.



www.finzsoft.com info@finzsoft.com

AUSTRALIA

Phone: 1800 728 035
One International Towers Sydney
Watermans Quay
Barangaroo
NSW 2000

MALAYSIA

Phone: +64 9 571 6800
Level 11, Sentral Jalan Travers
Kuala Lumpur Sentral
50470 Kuala Lumpur

NEW ZEALAND

Phone: +64 9 571 6800
Generator
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Britomart
Auckland 1010

SINGAPORE

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8 Cross Street
#10 - 00 PWC Building
Singapore 048424

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By order of the Board

Robert McKinnon

Chairman

14 October 2019

This notice of meeting is an important document and requires your immediate attention. It should be read in its entirety. It has been prepared to advise you of the forthcoming Meeting and to assist you in understanding the Resolutions to be put to Shareholders for consideration at the Meeting. The directors of the Company encourage you to read this notice of meeting and exercise your right to vote.

If you do not understand any part of this document or are in doubt as to how to deal with it, you should consult an appropriate professional adviser as soon as possible.



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EXPLANATORY NOTES

These explanatory notes set out the details of the transactions that are the subject of the Resolutions to be considered and the approval required by the Shareholders under the Schedule to the Takeovers Regulations (the **Takeovers Code**).

BACKGROUND

Current major Shareholder

1. As at the date of this notice of meeting:
 - (a) the Company's majority shareholder is Silverlake HGH Limited (**SHGH**), holding 7,528,990 or 85.47% of the ordinary shares in the Company (**Shares**);
 - (b) Silverlake Axis Ltd (**Silverlake**) and HGH (ICT Investments No. 2) Limited (**HGH**) are the sole shareholders of SHGH, with Silverlake holding 51 ordinary shares in SHGH and HGH holding 49 ordinary shares in SHGH;
 - (c) Company director Kwong Yong Sin is the Executive Director of Silverlake; and
 - (d) Company director Andrew Holliday is a trustee of the trust which ultimately holds a majority of the shares in HGH.

Deed of Settlement and Implementation

2. On 28 August 2019, SHGH, Silverlake and HGH entered into a deed of settlement and implementation (the **Deed of Settlement and Implementation**). As disclosed in the Deed of Settlement and Implementation, there has been a fundamental breakdown in the relationship between Silverlake and HGH, including disagreement on a number of matters (which are described in the Deed of Settlement and Implementation). To resolve matters between Silverlake and HGH, they have agreed as follows:
 - (a) for SHGH:
 - (i) to sell to Silverlake 3,839,785 Shares (the **Silverlake Acquisition Shares**); and
 - (ii) to sell to HGH 3,689,205 Shares (the **HGH Acquisition Shares**);
 - (b) after the transaction in paragraph (a) has been completed, for each of Silverlake and HGH to forgive the remaining balance of the Shareholder Loan (as that term is defined in paragraph 7(a)) owed to it by SHGH; then
 - (c) to wind up SHGH; and
 - (d) contemporaneously with the above, to resolve the outstanding issues between Silverlake and HGH.
3. The parties to the Deed of Settlement and Implementation acknowledge that each of:

- (a) the acquisition by Silverlake of the Silverlake Acquisition Shares pursuant to the Deed of Settlement and Implementation (the **Silverlake Acquisition**); and
- (b) the acquisition by HGH of the HGH Acquisition Shares pursuant to the Deed of Settlement and Implementation (the **HGH Acquisition** and, together with the Silverlake Acquisition, the **Acquisitions**),

requires approval of the Shareholders by ordinary resolution, for the purposes of rule 7(c) of the Takeovers Code. Accordingly, Silverlake and HGH requested that the board of directors of the Company (the **Board**), excluding the representatives of Silverlake and HGH, call a special meeting of Shareholders for this purpose.

4. The Acquisitions will result in SHGH's 85.47% shareholding being held by:

- (a) Silverlake – 43.59%; and
- (b) HGH – 41.88%.

The shareholdings in the Company of the Shareholders not associated with SHGH, Silverlake or HGH will not change. They will collectively hold 14.53% of the Shares before and after the Acquisitions.

- 5. As announced to Shareholders on 29 August 2019, the Board, excluding the representatives of Silverlake and HGH, considered that request and unanimously resolved to approve it.
- 6. A copy of the Deed of Settlement and Implementation is available for viewing at: <https://www.nzx.com/companies/FIN/announcements>. In particular, the Deed of Settlement and Implementation is attached to the "SPH Notices" of each of SHGH, Silverlake and HGH disclosed on 29 August 2019.

Key terms of Acquisitions

7. The following are the key terms of the Acquisitions:

- (a) Silverlake has loaned \$11,760,557 to SHGH and HGH has loaned \$11,204,067 to SHGH (each, a **Shareholder Loan**);
- (b) SHGH has accounts payable of \$4,459.40 due to SHGH's service provider (the **Service Provider Amount**);
- (c) SHGH has no assets other than 7,528,990 Shares and \$36,654.99 (as at 14 August 2019) in cash (with this sum, together with interest earned net of tax and bank fees and bank charges being referred to as **Cash**);
- (d) provided that the Shareholders approve Resolutions 1 and 2, SHGH shall:
 - (i) sell to Silverlake legal and beneficial ownership (free of security interests, encumbrances and adverse interests) of the Silverlake Acquisition Shares on the basis that:

- (A) the sale price for each Silverlake Acquisition Share is the fair market value of Shares as at 28 August 2019 (the determination of which is described in paragraph 8 below);
 - (B) the consideration payable is offset against Silverlake's Shareholder Loan; and
 - (C) no cash is required to be paid;
- (ii) sell to HGH legal and beneficial ownership (free of security interests, encumbrances and adverse interests) of the HGH Acquisition Shares on the basis that:
- (A) the sale price for each HGH Acquisition Share is the fair market value of Shares as at 28 August 2019 (the determination of which is described in paragraph 8 below);
 - (B) the consideration payable is offset against HGH's Shareholder Loan; and
 - (C) no cash is required to be paid; and
- (iii) pay the Service Provider Amount, and then pay to Silverlake the balance of the Cash in part payment of the remaining balance of the Shareholder Loan owing to Silverlake;
- (e) contemporaneously with the transaction described in paragraph (d) above, Silverlake and HGH will each forgive the then remaining balance of their respective Shareholder Loans in proportion to their respective shareholdings in SHGH in two stages; the first being the debt forgiven by them, and the second being the balance (if any) forgiven by Silverlake (together, the **Shareholder Loan Forgiveness**);
- (f) on the assumption that Resolutions 1 and 2 are approved at the Meeting, settlement of the Acquisitions is to occur on the first working day after the Meeting; and
- (g) if Shareholder approval is not obtained within three months of 28 August 2019 (the **Drop Dead Date**), then:
- (i) Silverlake and HGH, acting reasonably and in good faith, must discuss, and seek to agree, whether to extend the Drop Dead Date; and
 - (ii) if Silverlake and HGH cannot so agree within 10 working days after the Drop Dead Date, then either Silverlake or HGH may terminate the Deed of Settlement and Implementation.
8. In respect of the determination of the fair market value of Shares as at 28 August 2019, Silverlake and HGH have advised the Company as follows:
- (a) it has been agreed to liquidate SHGH after the Silverlake Acquisition Shares are transferred to Silverlake and the HGH Acquisition Shares are transferred to HGH;
 - (b) as part of that process the liquidator may be required to determine the fair market value of a Share as at 28 August 2019, so that this sum can be set off against the then outstanding

Shareholder Loans made by each of Silverlake and HGH to SHGH. As has been disclosed, as at 28 August 2019, the Shareholder Loans made by Silverlake and HGH were \$11,760,557 and \$11,204,067 respectively. As at that date, the market value of a Share on the NZX Main Board was recorded as \$1.12, giving a market capitalisation of the Company at that time of \$9,865,890 (i.e., significantly less than the aggregate amount of the outstanding Shareholder Loans); and

- (c) on the day the Silverlake Acquisition Shares are transferred to Silverlake and the HGH Acquisition Shares are transferred to HGH (i.e., on the first working day after the Meeting), each of Silverlake and HGH will, in consideration for their respective transfer, agree that the fair market value of those Shares as at 28 August 2019 (being the date of the Settlement Agreement) will be set off against their respective Shareholder Loans on the date of transfer of the Shares. Upon SHGH being wound up, if the liquidator believes it necessary to determine the exact amount of the fair market value of those Shares that was set off, the liquidator would determine that fair market value at that time. It may not be necessary to determine this exact sum given it will be set off against the Shareholder Loans, with the balance of those Shareholder Loans then forgiven (save for the balance of the cash of SHGH (following payment of \$4,459.40 to SHGH's service provider) being paid to Silverlake), upon the winding up of SHGH. When determining fair market value it is customary for a company whose shares are listed on the NZX Main Board to use a volume weighted average price (**VWAP**) over a period of time. The liquidator may choose, for example, to use a 1-week or 1-month VWAP (each of which would give a value of \$1.12) however, given that the shares of the Company are thinly traded, they may determine to adopt another measure. This would be a matter for the liquidator and neither Silverlake nor HGH would set this sum.

9. On completion of the Acquisitions and the Shareholder Loan Forgiveness, Silverlake and HGH agree, in broad terms, that they fully and finally release each other from all claims, suits, actions, demands and/or proceedings, however and whenever arising out of or in any way relating to all matters relating to any issue or dispute arising (directly or indirectly) from Silverlake and HGH being shareholders of SHGH (the **Full and Final Settlement**).

Takeovers Code application to the Acquisitions

10. As at the date of this notice of meeting:
- (a) Silverlake holds no voting rights in the Company; and
 - (b) HGH holds no voting rights in the Company.
11. Following:
- (a) completion of the Silverlake Acquisition, Silverlake will become the holder and controller of 3,839,785 Shares, representing 43.59% of the voting rights in the Company; and
 - (b) completion of the HGH Acquisition, HGH will become the holder and controller of 3,689,205 Shares, representing 41.88% of the voting rights in the Company.

12. Pursuant to rules 6 and 7(c) of the Takeovers Code:

- (a) Silverlake (who currently holds no voting rights in the Company) may not acquire Shares pursuant to the Silverlake Acquisition if, after the Silverlake Acquisition, Silverlake and its associates hold or control in total more than 20% of the voting rights in the Company unless the Silverlake Acquisition has been approved by an ordinary resolution of the Company in accordance with the Takeovers Code; and
- (b) HGH (who currently holds no voting rights in the Company) may not acquire Shares pursuant to the HGH Acquisition if, after the HGH Acquisition, HGH and its associates hold or control in total more than 20% of the voting rights in the Company unless the HGH Acquisition has been approved by an ordinary resolution of the Company in accordance with the Takeovers Code.

The Acquisitions are, accordingly, conditional on Shareholder approval of Resolutions 1 and 2.

Resolutions interdependent

13. Each of Resolutions 1 and 2 is interdependent, and requires that each of those Resolutions be passed by Shareholders in order for the transactions referred to in those Resolutions to be effected. If the Shareholders do not approve Resolution 1 or 2, then:
- (a) neither Resolution may be approved;
 - (b) the Company may include the approval of Resolutions 1 and 2 as part of the business to be conducted at the Company's annual meeting of Shareholders to be held in November 2019.

TAKEOVERS CODE

14. Under rule 6 of the Takeovers Code, a person who holds or controls:
- (a) no voting rights, or less than 20% of the voting rights, in a code company may not become the holder or controller of an increased percentage of the voting rights in the code company unless, after that event, that person and the person's associates hold or control in total not more than 20% of the voting rights in the code company; or
 - (b) 20% or more of the voting rights in a code company may not become a holder or controller of an increased percentage of the voting rights in the code company.
15. There are a number of exceptions to this rule. These include where a person becomes the holder or controller of voting rights in a code company by an acquisition of shares where that acquisition has been approved by an ordinary resolution pursuant to rule 7(c) of the Takeovers Code.
16. The Company is a code company as it is a listed issuer that has financial products that confer voting rights quoted on a licensed market (i.e., the NZX Main Board).
17. Following completion of the Silverlake Acquisition, Silverlake (who currently holds no voting rights in the Company) will become the holder of more than 20% of the voting rights in the Company. The

increase in voting rights that would result from the Silverlake Acquisition would, if approved, be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.

18. Following completion of the HGH Acquisition, HGH (who currently holds no voting rights in the Company) will become the holder of more than 20% of the voting rights in the Company. The increase in voting rights that would result from the HGH Acquisition would, if approved, be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
19. In respect of the Silverlake Acquisition, the information required under rule 15 of the Takeovers Code is set out in Appendix 1 of this notice of meeting.
20. In respect of HGH Acquisition, the information required under rule 15 of the Takeovers Code is set out in Appendix 2 of this notice of meeting.

INDEPENDENT ADVISER'S REPORT

21. As required by rule 18 of the Takeovers Code, the Company has commissioned an independent adviser's report on the Acquisitions (the **IAR**).
22. The Takeovers Code requires that, where shareholders are being asked to give their approval under rule 7(c) of the Takeovers Code, the directors must obtain a report from an independent adviser on the merits of the proposed acquisition under rule 7(c) having regard to the interests of those persons who may vote to approve the acquisition.
23. Simmons Corporate Finance Limited has prepared the IAR and a copy of the IAR is attached to this notice of meeting.
24. Section 1.5 of the IAR contains the following summary of Simmons Corporate Finance Limited's evaluation of the merits of the Acquisitions under the Takeovers Code:

“In our opinion, after having regard to all relevant factors, the [Acquisitions] have no significant negative implications from the perspective of the [Shareholders not associated with SHGH, Silverlake or HGH].”

We encourage all Shareholders to read the IAR that accompanies this notice of meeting in full.

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Proxies

You may exercise your right to vote at the Meeting either by being present in person or by appointing a proxy or representative to attend and vote in your place. A proxy need not be a Shareholder. A proxy form is attached to this notice of meeting.

If you wish to mail the proxy form then please send it to our Share Registrar, Computershare Investor Services Limited, at:

*Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand*

Shareholders may also fax the proxy form to +64 9 488 8787. The completed Proxy Form must be received by our Share Registrar no later than 3:30 p.m. on Sunday, 27 October 2019 (being 48 hours before the Meeting). Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders can elect to vote their proxies online. To appoint your proxy and vote online, please visit www.investorvote.co.nz. Follow the prompts to complete your proxy appointment and vote.

Ordinary resolutions

The business for the Meeting is to pass the ordinary resolutions set out in the preceding pages. An ordinary resolution is a resolution passed by a simple majority of the votes of those Shareholders entitled to vote and voting on the resolution.

Voting

Voting entitlements for the Meeting will be determined as at 5:00 p.m. (New Zealand time) on Friday, 25 October 2019. Registered Shareholders at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those Shareholders' names at that time may be voted at the Meeting.

Voting restrictions

None of SHGH, Silverlake, HGH or any of their respective associates (as that term is defined in the Takeovers Code) is entitled to vote, appoint a proxy or exercise discretionary proxies in respect of Resolutions 1 or 2, in accordance with rule 17(1) of the Takeovers Code.



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Appendix 1 – Information required by rule 15 of the Takeovers Code in respect of the Silverlake Acquisition

Pursuant to rule 15 of the Takeovers Code (with the sub-paragraphs below corresponding to the sub-paragraphs in rule 15), the Company advises as follows:

- (a) Silverlake is the person acquiring the voting securities (and is also the person who will become a controller of an increased percentage of voting securities in the Company as a result of the Silverlake Acquisition) and SHGH is the person disposing of the voting securities;
- (b) the voting securities to be acquired by Silverlake are Shares. In particular:
 - (i) the number of Shares being acquired is 3,839,785 (i.e., the Silverlake Acquisition Shares);
 - (ii) the Silverlake Acquisition Shares represent 43.59% of all voting securities;
 - (iii) following completion of the Silverlake Acquisition, Silverlake will hold or control 43.59% of all voting securities; and
 - (iv) following completion of the Silverlake Acquisition, Silverlake and its associates (as that term is defined in the Takeovers Code) will hold or control, in total, 43.59% of all voting securities. For this purpose, the Company understands that Silverlake does not consider HGH to be an associate (as that term is defined in the Takeovers Code) of Silverlake;
- (c) not applicable;
- (d) the consideration payable by Silverlake is the fair market value of Shares as at 28 August 2019 (the determination of which is described in paragraph 8 above). The consideration is payable through the offset of that fair market value against Silverlake's Shareholder Loan on settlement of the sale and purchase of the Silverlake Acquisition Shares, which is to occur on the first working day after the Meeting on the assumption that the Shareholders approve Resolutions 1 and 2 at the Meeting. For completeness, the consideration payable by Silverlake to SHGH is to be offset against Silverlake's Shareholder Loan such that no cash consideration is required to be paid by Silverlake to SHGH;
- (e) the reason for the Acquisitions (and the other steps set out in the Deed of Settlement and Implementation as described in paragraph 2 of this notice of meeting) is to resolve matters between Silverlake and HGH;
- (f) the Silverlake Acquisition, if approved, will be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code;
- (g) Silverlake has confirmed that there is no agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between it and any other person (other than between it and SHGH in respect of the matters referred to in paragraphs (a) to (e)) relating to the acquisition, holding, or control of the voting securities to be acquired, or to the exercise of voting rights in the Company;

- (h) attached to this notice of meeting is a report from an independent adviser in compliance with rule 18 of the Takeovers Code; and
- (i) the directors of the Company make the following statement for the purposes of rule 19 of the Takeovers Code:

*The Board has appointed a committee of directors (the **Independent Subcommittee**) to attend to all matters associated with the Acquisitions. The Independent Subcommittee comprises Helen Hatchard, Robert McKinnon, Josephine Grierson and Gary Sim. Each member of the Independent Subcommittee recommends that those Shareholders entitled to vote on Resolution 1 approve the Silverlake Acquisition, notwithstanding that the fair market value of Shares as at 28 August 2019 has not been determined by HGH and Silverlake. The reasons for this recommendation are that:*

- there has been a fundamental breakdown in the relationship between Silverlake and HGH, including disagreement on a number of matters as described in the Deed of Settlement and Implementation;*
- this relationship breakdown is a significant distraction to the operation and governance of the Company;*
- Silverlake and HGH have agreed to resolve the matters between them by undertaking the Silverlake Acquisition, the HGH Acquisition and the other steps set out in the Deed of Settlement and Implementation as described in paragraph 2 of this notice of meeting;*
- if Resolutions 1 and 2 are not approved (bearing in mind that they are interdependent), the matters between Silverlake and HGH will not be resolved and, in particular, the Full and Final Settlement will not take effect; and*
- the IAR prepared by Simmons Corporate Finance Limited on the merits of the Acquisition states that: “In our opinion, after having regard to all relevant factors, the [Acquisitions] have no significant negative implications from the perspective of the [Shareholders not associated with SHGH, Silverlake or HGH]”.*

Kwong Yong Sin, being a director of the Company, has a potential conflict of interest in respect of the Acquisitions due to his position as Executive Director of Silverlake.

Mr. Kwong is therefore not a member of the Independent Subcommittee and has abstained from making any recommendation to approve or disapprove the Acquisitions.

Andrew Holliday, being a director of the Company, has a potential conflict of interest in respect of the Acquisitions due to being a trustee of the trust which ultimately holds a majority of the shares in HGH. Mr. Holliday is therefore not a member of the Independent Subcommittee and has abstained from making any recommendation to approve or disapprove the Acquisitions.

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One International Towers Sydney
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Barangaroo
NSW 2000

MALAYSIA

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Level 11, Sentral Jalan Travers
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Phone: +64 9 571 6800
Generator
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SINGAPORE

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Appendix 2 – Information required by rule 15 of the Takeovers Code in respect of the HGH Acquisition

Pursuant to rule 15 of the Takeovers Code (with the sub-paragraphs below corresponding to the sub-paragraphs in rule 15), the Company advises as follows:

- (a) HGH is the person acquiring the voting securities (and is also the person who will become a controller of an increased percentage of voting securities in the Company as a result of the HGH Acquisition) and SHGH is the person disposing of the voting securities;
- (b) the voting securities to be acquired by HGH are Shares. In particular:
 - (i) the number of Shares being acquired is 3,689,205 (i.e., the HGH Acquisition Shares);
 - (ii) the HGH Acquisition Shares represent 41.88% of all voting securities;
 - (iii) following completion of the HGH Acquisition, HGH will hold or control 41.88% of all voting securities; and
 - (iv) following completion of the HGH Acquisition, HGH and its associates (as that term is defined in the Takeovers Code) will hold or control, in total, 41.88% of all voting securities. For this purpose, the Company understands that HGH does not consider Silverlake to be an associate (as that term is defined in the Takeovers Code) of HGH;
- (c) not applicable;
- (d) the consideration payable by HGH is the fair market value of Shares as at 28 August 2019 (the determination of which is described in paragraph 8 above). The consideration is payable through the offset of that fair market value against HGH's Shareholder Loan on settlement of the sale and purchase of the HGH Acquisition Shares, which is to occur on the first working day after the Meeting on the assumption that the Shareholders approve Resolutions 1 and 2 at the Meeting. For completeness, the consideration payable by HGH to SHGH is to be offset against HGH's Shareholder Loan such that no cash consideration is required to be paid by HGH to SHGH;
- (e) the reason for the Acquisitions (and the other steps set out in the Deed of Settlement and Implementation as described in paragraph 2 of this notice of meeting) is to resolve matters between HGH and Silverlake;
- (f) the HGH Acquisition, if approved, will be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code;
- (g) HGH has confirmed that there is no agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between it and any other person (other than between it and SHGH in respect of the matters referred to in paragraphs (a) to (e)) relating to the acquisition, holding, or control of the voting securities to be acquired, or to the exercise of voting rights in the Company;



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- (h) attached to this notice of meeting is a report from an independent adviser in compliance with rule 18 of the Takeovers Code; and
- (i) the directors of the Company make the following statement for the purposes of rule 19 of the Takeovers Code:

The Board has appointed the Independent Subcommittee to attend to all matters associated with Acquisitions. The Independent Subcommittee comprises Helen Hatchard, Robert McKinnon, Josephine Grierson and Gary Sim. Each member of the Independent Subcommittee recommends that those Shareholders entitled to vote on Resolution 2 approve the HGH Acquisition, notwithstanding that the fair market value of Shares as at 28 August 2019 has not been determined by HGH and Silverlake. The reasons for this recommendation are that:

- there has been a fundamental breakdown in the relationship between HGH and Silverlake, including disagreement on a number of matters as described in the Deed of Settlement and Implementation;*
- this relationship breakdown is a significant distraction to the operation and governance of the Company;*
- HGH and Silverlake have agreed to resolve the matters between them by undertaking the HGH Acquisition, the Silverlake Acquisition and the other steps set out in the Deed of Settlement and Implementation as described in paragraph 2 of this notice of meeting;*
- if Resolutions 1 and 2 are not approved (bearing in mind that they are interdependent), the matters between HGH and Silverlake will not be resolved and, in particular, the Full and Final Settlement will not take effect; and*
- the IAR prepared by Simmons Corporate Finance Limited on the merits of the Acquisition states that: “In our opinion, after having regard to all relevant factors, the [Acquisitions] have no significant negative implications from the perspective of the [Shareholders not associated with SHGH, Silverlake or HGH]”.*

Kwong Yong Sin, being a director of the Company, has a potential conflict of interest in respect of the Acquisitions due to his position as Executive Director of Silverlake.

Mr. Kwong is therefore not a member of the Independent Subcommittee and has abstained from making any recommendation to approve or disapprove the Acquisitions.

Andrew Holliday, being a director of the Company, has a potential conflict of interest in respect of the Acquisitions due to being a trustee of the trust which ultimately holds a majority of the shares in HGH. Mr. Holliday is therefore not a member of the Independent Subcommittee and has abstained from making any recommendation to approve or disapprove the Acquisitions.

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Generator
Level 10, 11 Britomart Place
Britomart
Auckland 1010

SINGAPORE

Phone: +64 9 571 6800
8 Cross Street
#10 - 00 PWC Building
Singapore 048424