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**VDM GROUP LIMITED**

**ACN 109 829 334**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 1:00pm (AWST)

**DATE:** Tuesday, 29 November 2022

**PLACE:** Unit 2, 420 Bagot Road, Subiaco, Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on +61 417 996 454.*

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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The Meeting will be held at Unit 2, 420 Bagot Road, Subiaco, Western Australia on Tuesday, 29 November 2022 at 1:00pm (AWST).

The Explanatory Statement, which forms part of this Notice of Meeting, provides additional information on matters to be considered at the Meeting.

This Notice of Meeting, Explanatory Statement and Proxy form should be read in their entirety.

### YOUR VOTE IS IMPORTANT

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The business of the Meeting affects your shareholding in the Company, and your vote is important. Please take action by voting in person or by proxy.

### VOTING ELIGIBILITY

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Pursuant to Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the persons eligible to vote at the Meeting are those who are registered Shareholders at 1:00pm (AWST) on Sunday, 27 November 2022. Shareholders registered after that time will be disregarded in determining eligibility to attend and vote at the Meeting.

### VOTING IN PERSON

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

### VOTING BY PROXY

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

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies, which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Proxy vote if appointment specifies way to vote**

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

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

### **Transfer of non-Chair proxy to Chair in certain circumstances**

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

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

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

## **CORPORATE REPRESENTATIVES**

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Any corporation which is a Shareholder of the Company may appoint a proxy, as set out above, or authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chair) a natural person to act as its representative at any general meeting.

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the Constitution. Attorneys are requested to bring an original or certified copy of the power of attorney pursuant to which they were appointed. Proof of identity is also required for corporate representatives and attorneys.

## **OTHER INFORMATION**

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### **Resolutions are not interdependent**

Each of the Resolutions are not interdependent on any other Resolution in this Notice of Meeting being passed. This means that each Resolution may be passed by Shareholders notwithstanding that one or more of the other Resolutions are not passed by Shareholders.

### **Terms and Abbreviations**

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

### **Chair of the Meeting**

It is proposed that the Chair for the Meeting for each of the Resolutions be Mr Colin Noid, and where Mr Noid has a personal interest in the outcome of a Resolution, by Mr Michael Fry. It is the Chair's intention to vote undirected proxies (ie, open proxies) which the Chair holds as proxy in favour of all Resolutions.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

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##### 1. FINANCIAL STATEMENT AND REPORTS

To receive and consider the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Directors' Report, the Remuneration Report, Financial Statements, Notes to the Financial Statements and the independent Auditor's Report.

##### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution, with or without amendment, as a **non-binding resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of either of the following persons:

- (a) a member of the Company's Key Management Personnel, details of whose remuneration is disclosed in the Remuneration Report for the year ended 30 June 2022; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) and (b) above and either:

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

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##### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LUK HUIMING

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

*“That, for the purposes Rule 15.2 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, Mr Luk Huiming, a Director of the Company, retires by rotation and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

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##### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MICHAEL FRY

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

*“That, for the purposes Rule 15.2 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, Mr Michael Fry, a Director of the Company, retires by rotation and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

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## 5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR MING GUO

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

*“That, for the purposes Rule 15.4 of the Company’s Constitution, Listing Rule 14.4 and for all other purposes, Mr Ming Guo, a Director of the Company who was appointed to fill a casual vacancy on 4 May 2022, being eligible, offers himself for election, to be elected as a Director of the Company.”*

## SPECIAL BUSINESS

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## 6. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by, or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## OTHER BUSINESS

To deal with any other business which may be brought before the Meeting in accordance with the Constitution and the Corporations Act.

**Dated: 17 October 2022**

**By order of the Board**

**Mr Michael Fry**  
**Company Secretary**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Company's Constitution and section 317 of the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the Directors' Declaration, Directors' Report, Remuneration Report and Auditor's Report. There is no requirement that Shareholders formally approve the reports comprising the annual financial report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report to Shareholders is available on its website at [www.vdmgroup.com.au](http://www.vdmgroup.com.au).

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders as a whole to:

- (a) discuss the annual financial report;
- (b) ask questions about, or make comments on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted to the Company Secretary at [michael.fry@vdmgroup.com.au](mailto:michael.fry@vdmgroup.com.au) no later than 5:00pm (WST) on Tuesday, 22 November 2022.

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

#### **2.1 General**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Remuneration Report sets out the remuneration policy of the Company and the remuneration arrangements in place for the Directors and senior management of the Company.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the company or the directors of the company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders as a whole to ask questions about, or make comments on, the Remuneration Report.

## 2.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a Shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All directors of a company who were in office when the directors' report (as included in that company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of a company is approved will be the directors of that company.

## 2.3 Previous voting results

At last year's annual general meeting, 94.83% of votes were cast in favour of the adoption of the remuneration report. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

However, in the event that 25% or more of votes that are cast are against adoption of the 2022 Remuneration Report at the Meeting, Shareholders should be aware that if a 'no' vote of 25% or more for the same resolution at the 2023 annual general meeting, the consequence is that it may result in the re-election of the Board.

## 2.4 Proxy restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy –***

You **must** direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member) –***

You **may**, but **do not** need to direct your proxy how to vote on this Resolution.

***If you appoint any other person as your proxy –***

You **may**, but **do not** need to direct your proxy how to vote on this Resolution.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR - MR LUK HUIMING

### 3.1 General

Rule 15.2 of the Company's Constitution requires that no Director may hold office (without re-election), other than a Managing Director, beyond the third annual general meeting of the Company. A Director who retires in accordance with 15.2 of the Company's Constitution is eligible for re-election at the annual general meeting.

Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is the longer.

Mr Luk was last re-elected as a Director at the 2019 annual general meeting. Mr Luk retires at the Meeting in accordance with the Company's Constitution and the Listing Rules and, being eligible, has offered himself for re-election at the Meeting.

If Resolution 2 is passed, Mr Luk will be re-elected as a Director. If Resolution 2 is not passed, Mr Luk will cease to be a Director at the conclusion of the Meeting.

### **3.2 Qualifications and experience**

Mr Luk has abundant experience in an extensive range of business sectors, including textile & clothing, pharmaceutical, steel, real estates, manufacturing mining, natural resources, new energy and oil and gas. Apart from businesses in mainland China, he also has extensive international experience in various industries around the globe.

Mr Luk is currently Chairman of Australia Kengkong Investments Co Pty Ltd, the largest shareholder in VDM Group Limited.

Mr Luk is the Company's Chairman.

### **3.3 Board recommendation**

The Board (excluding Mr Luk who declines to make a recommendation on the basis that he has a material personal interest in the outcome of this Resolution) is of the view that the passing of this Resolution is in the best interests of the Company and **recommends to Shareholders that they vote in favour of Resolution 2.**

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## **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR - MR MICHAEL FRY**

### **4.1 General**

Rule 15.2 of the Company's Constitution requires that no Director may hold office (without re-election), other than a Managing Director, beyond the third annual general meeting of the Company. A Director who retires in accordance with 15.2 of the Company's Constitution is eligible for re-election at the annual general meeting.

Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is the longer.

Mr Fry was last re-elected as a Director at the 2020 annual general meeting. Mr Fry retires at the Meeting in accordance with the Company's Constitution and the Listing Rules and, being eligible, has offered herself for re-election at the Meeting.

Mr Fry retires at the Meeting in accordance with the Company's Constitution and Listing Rules and, being eligible, has offered himself for re-election at the Meeting.

If Resolution 3 is passed, Mr Fry will be re-elected as a Director. If Resolution 3 is not passed, Mr Fry will cease to be a Director at the conclusion of the Meeting.

### **4.2 Qualifications and experience**

Mr Fry is an experienced public company director and senior executive who has been involved in the mineral resources mining and exploration industries for over twenty years.

Mr Fry has a background in accounting and corporate advice having worked with KPMG (Perth) where he qualified as a Chartered Accountant, Deloitte (Melbourne) and boutique corporate advisory practice Troika Securities Ltd (Perth). From 2006 to 2011, Mr Fry was the Chief Financial Officer and Finance Director at Swick Mining Services Limited, a publicly listed drilling services provider contracting to the mining industry in Australia and North America.



Mr Fry is Chief Financial Officer and Company Secretary of ASX-listed companies Globe Metals & Mining Limited (ASX: GBE), VDM Group Limited (ASX: VMG) and company secretary of unlisted public company GLX Digital Limited. Mr Fry is the current Chief Financial Officer and Company Secretary of Cauldron.

Mr Fry holds a Bachelor of Commerce degree from University of Western Australia.

#### **4.3 Board recommendation**

The Board (excluding Mr Fry who declines to make a recommendation on the basis that he has a material personal interest in the outcome of this Resolution) is of the view that the passing of this Resolution is in the best interests of the Company and **recommends to Shareholders that they vote in favour of Resolution 3.**

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### **5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR MING GUO**

#### **5.1 General**

Clause 15.4 of the Company's Constitution requires that if a Director is appointed to fill a casual vacancy or as an addition to the existing Directors, as in the case of Mr Ming Guo who was appointed as a director on 4 May 2022, the director appointed holds office only until the next annual general meeting of the Company. A director who retires in accordance with Rule 15.4 of the Company's Constitution is eligible for re-election at the annual general meeting.

Listing Rule 14.4 similarly provides that a Director appointed to fill a casual vacancy or as an addition to the Board, must not hold office without re-election past the next annual general meeting.

Mr Guo retires at the Meeting in accordance with the Company's Constitution and Listing Rules and, being eligible, has offered himself for re-election at the Meeting

If Resolution 4 is passed, Mr Guo will be re-elected as a Director. If Resolution 4 is not passed, Mr Guo will cease to be a Director at the conclusion of the Meeting.

#### **5.2 Qualifications and experience**

Mr Guo is a highly successful businessman who amongst many interests is the chairman and shareholder of a substantial marble mine operating in Angola.

Mr Guo is a graduate of the Guizhou Institute of Technology, majoring in mechanical and electrical automation.

#### **5.3 Board recommendation**

The Board (excluding Mr Guo who declines to make a recommendation on the basis that he has a material personal interest in the outcome of this Resolution) is of the view that the passing of this Resolution is in the best interests of the Company and **recommends to Shareholders that they vote in favour of Resolution 4.**

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### **6. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

#### **6.1 Background**

The Company currently has on issue 6,927,660,952 Shares and wishes to seek Shareholder approval for the capacity to issue up to 10% of the total number of Shares on issue, in addition to the 15% Placement Capacity to which it is entitled to under Listing Rule 7.1.

#### **6.2 Approval sought for the purposes of Listing Rule 7.1A**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% (**7.1A Mandate**) to 25%.

An “eligible entity” for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes and expects to remain so up to and including the date of the Meeting. In the event that the Company does not meet the requirements of an “eligible entity” for the purposes of Listing Rule 7.1A on the day immediately prior to the date of Meeting, the Company shall withdraw this Resolution.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity as provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval. If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Shareholders approve this Resolution, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. The exact number of Equity Securities that the Company may issue under the 10% Placement Capacity will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- (i) plus, the number of Shares issued in the previous relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
  - (ii) plus, the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - (B) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
  - (iii) plus, the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - (A) the agreement was entered into before the commencement of the relevant period; or
    - (B) the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4;
  - (iv) plus, the number of Shares issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
  - (v) plus, the number of partly paid shares that became fully paid in the relevant period; and (vi) less the number of Shares cancelled in the relevant period.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) at the Meeting to be passed.

### **6.3 Specific information required by Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **6.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information in relation to Resolution 5 is provided as follows:

#### **(a) Period for which approval is valid**

An approval under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change in the nature and scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

#### **(b) Minimum price at which Equity Securities may be issued.**

Any Equity Securities under Listing Rule 7.1A must be in an existed quoted class of the eligible entity's Equity Securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average market price for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 4.2(b)(i), the date on which the securities are issued.

#### **(c) Purposes for which funds may be used**

The Company may only seek to issue Equity Securities under Listing Rule 7.1A for cash consideration. Funds raised by the issue of Equity Securities under Listing Rule 7.1A may be used for the continued development of the Company's assets, the acquisition of new assets or other investments (including expenses associated with such acquisition), and for general working capital.

#### **(d) Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted.

There is a risk that:

- (i) the market price for the Equity Securities in that class may be significantly lower on the issue date than on the date of the Shareholder approval under Listing Rule 7.1A; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under Listing Rule 7.1A, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 14 October 2022.

Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A.2)	Number of Shares issued under additional 10% capacity	Dilution		
		Issue Price		
		\$0.006	\$0.001	\$0.002
		50% decrease	Current price	100% increase
Funds Raised				
6,927,660,952 (Current)	692,766,095	\$346,383,766	\$692,766	\$1,385,532
10,391,491,428 (50% increase)	1,039,149,142	\$519,574	\$1,039,149	\$2,078,298
13,855,321,904 (100% increase)	1,385,532,190	\$692,766	\$1,385,532	\$2,771,064

*The number of Shares on issue (variable "A" in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata issue or scrip issue under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.*

**The table above uses the following assumptions:**

- (i) There are 6,927,660,952 Shares as at 14 October 2022.
- (iii) The issue price is \$0.001, being the closing price of the Shares on ASX on 14 October 2022.
- (iv) The Company issues the maximum number of Equity Securities available under the 7.1 A Mandate.
- (v) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

- (viii) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- (ix) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (x) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted.

(e) **Allocation Policy**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company obtained approval under ASX Listing Rule 7.1A at the 2021 annual general meeting held on 25 January 2022 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 25 January 2022, the Company has not issued any Equity Securities pursuant to the Previous Approval.

(g) **Voting Exclusion Statement**

A voting exclusion statement is set out in this Notice of Meeting. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or identifiable class of existing security holder to participate in an issue of the equity securities. No existing shareholder's votes will therefore be excluded under the voting in the Notice.

## 6.5 Board recommendation

The Board is of the view that the passing of this Resolution is in the best interests of the Company and **recommends to Shareholders that they vote in favour of Resolution 5.**

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## GLOSSARY

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**Annual General Meeting** or **AGM** means annual general meeting.

**Annual Report** has the meaning given in section **Error! Reference source not found.** of the Explanatory Statement.

**Associate** has the meaning given in Chapter 19 of the Listing Rules.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**Board** means the board of Directors as constituted from time to time.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chairperson of the Meeting.

**Closely Related Party**, in relation to a member of the Key Management Personnel, means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (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 Company;
- (e) a company the member controls; or
- (f) a person so prescribed by the Corporations Regulations.

**Company** means VDM Group Limited (ACN 109 829 334).

**Constitution** means the constitution of the Company as amended from time to time.

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

**Directors** means the directors of the Company from time to time and **Director** means any one of them.

**Directors' Report** means the annual directors' report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**Financial Report** means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company or, if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Meeting** means the Annual General Meeting of Shareholders to be held at Unit 2, 420 Bagot Road, Subiaco, Western Australia on Tuesday, 29 November 2022 at 1:00pm (AWST).

**Notice** or **Notice of Meeting** means this notice of annual general meeting, including the Explanatory Statement.

**Official List** means the official list of entities that ASX has admitted and not removed.

**Proxy Form** means the proxy form accompanying this Notice of Meeting.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolutions** means the resolutions to be proposed at the Meeting and **Resolution** means any one of them.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**Spill Meeting** has the meaning given to that term in section 2.2 of the Explanatory Statement.

**Spill Resolution** has the meaning given to that term in section 2.2 of the Explanatory Statement.

**Strike** means a 'no' vote of 25% or more on a resolution to adopt the Remuneration Report.

**WST** means Western Standard Time as observed in Perth, Western Australia.







VDM Group Limited  
ABN 95 109 829 334

VMG

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (AWST) on Sunday, 27 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of VDM Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of VDM Group Limited to be held at Unit 2, 420 Bagot Road, Subiaco, WA 6008 on Tuesday, 29 November 2022 at 1:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr Luk Huiming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – Mr Michael Fry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of Director – Mr Ming Guo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

VMG

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Computershare

